CITY OF LEWISVILLE, TEXAS

Comprehensive Annual Financial Report

For the Fiscal Year Ended September 30, 2017

LEWISVILLE
Deep Roots. Broad Wings. Bright Future.

LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

CITY OF LEWISVILLE, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the fiscal year ended September 30, 2017

Prepared by the
FINANCE DEPARTMENT

LEWISVILLE

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INTRODUCTORY SECTION

LEWISVILLE

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March 1, 2018

To the Honorable Mayor,
Members of the City Council,
and Citizens of the City of Lewisville, Texas:

The Comprehensive Annual Financial Report (CAFR) of the City of Lewisville, Texas, for the year ended September 30, 2017, is submitted herewith. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City, on a Government-wide and Fund basis. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. We believe the data, as presented, is accurate in all material aspects, that it is presented in a manner to fairly represent the financial position and results of operations of the City and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included. The CAFR for the year ended September 30, 2017, is prepared in accordance with generally accepted accounting principles (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with one another.

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GENERAL INFORMATION – CITY OF LEWISVILLE

The City of Lewisville is geographically located north of the hub of the ten-county metropolitan area containing Dallas and Fort Worth, Texas. The City is characterized as a predominantly suburban residential community situated in the growth corridor linking the Dallas/Fort Worth International Airport (Tarrant County) through Lewisville (Denton County) to cities in east Collin County. Lewisville shares the metroplex economy based primarily on commerce, tourism, manufacturing, and finance.

The City of Lewisville was incorporated in 1925. The current charter was adopted in 1963 and amended as recently as November 2017. Lewisville is a home-rule city and operates under the Council-Manager form of government. The City Council is comprised of the Mayor and five members and is responsible for enacting ordinances, resolutions and regulations governing the City. In addition, the City Council appoints the members of various boards and commissions, the City Manager, City Attorney, City Judge, and City Secretary. As chief administrative officer, the City Manager is responsible for implementing Council policies, overseeing municipal operations, and appointing and supervising the various department directors.

The City provides the full range of municipal services as authorized by statute or charter. This includes public safety (police and fire), streets, water and sewer utilities, sanitation, health and social services, parks and recreation, public improvements, community development with planning, zoning and economic development, tourism, and general administrative services.

In addition, the City of Lewisville has organizations called component units. Component units are legally separate organizations for which the elected officials of the City of Lewisville are financially accountable. At September 30, 2017, the component units for the City of Lewisville are:

- Lewisville Housing Finance Corporation
- Lewisville Industrial Development Authority, Inc.
- Lewisville Parks and Library Development Corporation
- Tax Increment Reinvestment Zone Number 1, City of Lewisville, Texas (also known as Old Town TIF)
- Tax Increment Reinvestment Zone Number 2, City of Lewisville, Texas
- City of Lewisville Health Benefit Trust
- Lewisville Local Government Corporation
- Lewisville Crime Control and Prevention District
- Lewisville Fire Control, Prevention, and Emergency Medical Services District

ECONOMIC CONDITIONS AND OUTLOOK

The City of Lewisville continues to experience positive annual population and new residential and commercial growth. Between the years 2000 to 2010, Lewisville's population increased by 22.6% from 77,737 to 95,290 per the official Census data of 2010. The current population estimate from North Central Texas Council of Governments (NCTCOG) is 103,640. Lewisville is located in Denton County which is one of the Top 20 fastest-growing counties in the U.S per the U. S. Census. The City has added a tremendous number of infill development and

redevelopment projects that have aided in the rejuvenation of the City. Lewisville's makeup is unique because the community is largely developed with limited vacant land available. Estimates are for residential population to be approximately 140,000 (including extraterritorial jurisdiction) at the time of build-out around 2030. According to Transwestern Commercial Services, the Denton/Lewisville office market enjoyed one of the lowest vacancy rates in the DFW region at 9.4% in the 3rd Quarter in 2017. Industrial vacancy also came in very low at 6%.

Highlights include:

- Majestic Airport Center is a master-planned Industrial park with over 160 acres of land and more than 3 million square feet of Class A warehouse and distribution facilities. Kellogg relocated their southwest regional distribution facility to Majestic Airport Center in 2012, occupying 1 million square feet and creating 300 new jobs. Jafra Cosmetics, Cabin Innovations, Hagemeyer North America Inc., Sonexus Health, Essilor of America and Ranger Air Aviation currently occupy the development, taking advantage of the Foreign Trade Zones and Triple Freeport exemption in place. The most recent occupant, Bed, Bath and Beyond has their Texas E-Commerce facility occupying 780,000 square feet with over $100 million in real and business personal property investment and large projected sales tax generation since its opening in late 2016.
- Ferguson Enterprises relocated to Lewisville into a new 181,000 square foot regional warehouse and distribution facility at 514 Bennett Lane.
- Mortgage Contracting Services moved from Plano and now occupies a 120,000 square feet building that was vacated by Nationstar Mortgage bringing 500 employees to Lewisville.
- Norman Windows Fashion, a California company, expanded its operation to Texas, by purchasing a 400,000 square foot facility in Lewisville. They are the distributer of window blinds and drapes to major retailers such as Lowes and Home Depot.
- Hoya Optical completed its expansion in Lewisville adding 201 employees and investing $14,000,000 in their facility. The total number of employees at this location is now 440.
- Mary Kay Inc. research and manufacturing facility is well under construction. The new 480,000 square foot facility is scheduled to open in 2018. The company is projected to invest over $100 million dollars in land purchase, construction, business personal property and inventory as well as adding 600 jobs to the local economy.
- The hospitality industry is booming in Lewisville as several new hotels are under construction. A new 129-room La Quinta Inn & Suites was recently completed and at least four others are planned to open in 2018 including Home 2 Suites by Hilton, Candlewood Suites, TRU by Hilton, and ALOFT by Marriott.
- The Vista Ridge Mall was purchased by ICA Properties and renamed the Music City Mall. ICA is planning to attract new tenants and shoppers with live music and new retail venues.
- Other notable companies moving to Lewisville this year include:
    - Infinite Packaging & Printing—expansion (39,000 square feet)
    - STEM Academy of Lewisville (43,000 square feet)
    - MC2—trade show booth exhibit manufacturer (7,200 square feet)
    - Infinite Electronics (8,200 square feet)
    - Design Floors (12,000 square feet)

MAJOR INITIATIVES

Tax Increment Reinvestment Zone Number 1—The City of Lewisville continues to revitalize Old Town Lewisville. The Old Town Tax Increment Reinvestment Zone was created in December 2001, with participation between the City and Denton County. The Zone will expire in 2028.

The Old Town Tax Increment Reinvestment Zone has experienced an incremental increase in taxable value of $135.2 million since inception. Tax increment revenues from the Zone are used to finance infrastructure improvements and public facilities to stimulate revitalization of Old Town. Projects to date include parking improvements, wayfinding, infrastructure needs studies, sidewalk enhancements, beautification projects, the Medical Center of Lewisville Grand Theater (MCL Grand Theater), and the Wayne Ferguson Plaza.

- Several new restaurants have opened in Old Town including Cavalli Pizza, Twisted Root Burger, Prohibition Chicken, PERC Coffeehouse, Domino's Pizza, and Old Town Wine House.
- The Lewisville Feed Mill is being converted into a restaurant with over $2 million in renovations and improvements. The current building will be renovated but will preserve as much of the historical character as possible. The restaurant is scheduled to open in the spring of 2018.
- The Uptown Village Townhome community has completed 40 units and is in the process of proceeding with phase 3 of the development for a total of 73 units including a pool and clubhouse in this phase.
- South Village, a mixed-use project, including 4,000 square feet of office space/retail space and 63 new residential units is under construction.
- Walters Street Brownstones, with 19 residential units, is under construction.

Tax Increment Reinvestment Zone Number 2—This zone was created in October 2008, with participation between the City and Denton County. This Zone started with a base value of $9 million and has added $119.7 million in incremental value. The Zone will expire in 2038.

- Tax increment revenues from the Zone are used to finance infrastructure improvements for a 427-acre mixed-use development. The development, also known as Hebron 121 Station, is at the northeast corner of Interstate Highway 35-East (I-35E) and State Highway 121 Tollway (SH 121). The project consists of urban residential, retail, recreation, and entertainment uses.
- The first three phases of the residential development have been completed and consist of 1,210 multi-family units within 4-story structures; the total number of residential units projected for the project at completion will be 1,875.
- Other features present within this zone is the Denton County Transit Authority (DCTA) A-Train Station and a connecting bridge over Timber Creek from the project to the I-35 frontage road.

Lewisville 2025 Vision—The Lewisville 2025 Vision Plan is the City's strategic plan that includes nine Big Moves guiding the development of the City of Lewisville over the next 10 years. The plan serves to set a vision for the future and provide a framework as Lewisville looks

to celebrate its centennial in 2025. The plan was developed with more than a year of public input and discussion that garnered hundreds of ideas and suggestions. That input was studied extensively by the Lewisville 2025 Committee, working with City staff and professional consultants. After an extensive public involvement process, the plan was complete and adopted in July 2014. The resulting Lewisville 2025 plan sets a clear shared vision for the kind of community Lewisville hopes to be in 2025. The plan identifies nine Big Moves to make that vision a reality. Some of the major accomplishments this prior year are listed below:

- **Green Centerpiece** (Create and educate the public about unique destinations within the areas of the floodway, public land, and adjacent private lands.)
    - In regards to Lewisville Lake Environmental Learning Area (LLELA), the City continues to work with all stakeholders to plan for new programming and activities in LLELA.
    - The City received approval from Corps of Engineers to create two new nature trails at LLELA:
        - The Stewart Creek Trail, which is an extension of the Bittern Marsh trail, will become the eastern most trail in LLELA, and will extend into portions of the property the public has never been allowed.
        - The Wildflower Loop also will be on the east side of LLELA. It will include an observation platform for visitors to look over the entire prairie. When the roughly one-mile trail opens, it will be a guided-tour only trail.
- **Extending The Green** (Implement the City's adopted Trails Master Plan and to give Lewisville residents access to these systems within a reasonable walking distance of their neighborhoods.)
    - The City was selected by TxDOT to receive Green Ribbon funding for FM 407 (Aspen Drive to Summit Avenue) and SH 121 Business (E. Main Street to FM 544) Median Landscape Project. Improvements include native, low-impact landscape, hardscape and irrigation. The hardscape includes a Lewisville Gateway sign on both roadways.
    - The new I-35E bridge over Lewisville Lake completed the trail connection from Garden Ridge Boulevard to Denton.
    - The City joined the Trust for Public Land "10-minute to a Park" initiative, committing to increase community access to public parks and open spaces.
- **Sustainability** (Provide a framework for all areas of municipal operations and place emphasis on green initiatives while reducing demands on limited resources.)
    - City of Lewisville Fleet Division earned 2017 Outstanding Bronze Fleet Award presented by NCTCOG. The award recognizes efforts of emissions reduction, fuel reductions, promotion of clean fleet policies, and petroleum reduction goals.
    - The City reduced electricity consumption by 151,410 Kwh across all City facilities this past year. This was accomplished by installing more energy efficient mechanical and lighting components.
    - The City adopted an Idling Directive which limits employee's ability to leave City vehicles idling while working. The limitations will promote sustainability, but also save taxpayer money on gas and car maintenance.
- **Old Town** (Identify new and renovated residential, retail and commercial opportunities and to raise the profile of the City's historic Old Town by increasing activities and quality events.)

- The City opened the Visitor Information Center (VIC) in September, located at 247 W. Main Street. Unique to the Lewisville VIC are three public museum rooms that highlight Lewisville's history—Deep Roots, Arts & Culture, and Fighting Farmers of Lewisville High School. The building also houses the Community Relations and Tourism Department, including the Special Events Division.
- Five new restaurants opened in 2017 as mentioned earlier.
- Valley Ridge Boulevard extension opened in October. The 1.6-mile extension provides a direct connection between I-35E and SH 121 Business and reduces the amount of cut-through commuter and truck traffic in Old Town, making Old Town more pedestrian friendly, and minimizing traffic disruptions during major events.

- **Thriving Neighborhoods** (Create neighborhood-specific reinvestment strategies and to work with neighborhood groups to evaluate, identify and fund needed improvements.)
  - As part of the Property Enhancement Program, the City awarded residents more than $117,000 in reimbursement between July 2016 - September 2017.
  - Construction began on Fire Station #3 and Fire Station #8 in late 2017. Both stations are expected to open in late 2018.
  - LPD continued its premier Neighborhood Police Services program. In fiscal year 2016-17, in addition to regular duties, officers patrolled 61 neighborhoods, initiated 303 calls for service, traveled 2,065 miles, worked 310 additional hours, and patrolled 11 school zones and 14 athletic tournaments. Additionally, a popular program is an additional 48 man hours for Halloween evening patrol. Officers handed out over 3,000 LPD candy suckers to trick-or-treaters.
- **New Neighborhood Choices** (Create and encourage new residential choices such as upscale single-family homes, mixed-use complexes, and high-density housing close to the three DCTA stations.)
  - The Hebron 121 Station began construction on Phase 5 of the iconic complex along I-35E, adding 330 townhome and mansion style units, a fitness center, and another pool. Construction on Phase 6 is expected to begin in 2019.
  - The City issued more than 7,200 building-type permits. More than 250 were for new single-family home construction and more than 300 were for construction in Old Town.
- **Employment Centers** (Support the long-term success of these centers and promote a sense of pride between businesses and community services.)
  - Highlights of newly developed employment centers are detailed earlier in this letter.
  - Two Lewisville locations were submitted through the Dallas Regional Chamber's joint DFW regional bid as potential sites for Amazon's second headquarters building. One Lewisville site is still part of DFW's bid that made Amazon's top 10 list. It is expected there will be 50,000 jobs, paying an average of $100,000, at Amazon's HQ2. Amazon has not said when it will announce the winning location.
- **Identity Focal Point** (Create a strong graphic presence at the major gateways so Lewisville stands apart from other cities along I-35E.)
  - Zoning has been approved for two key parts of the Northern Gateway near Justin Road and McGee Lane. The goal is to create a mixed-use center of activity west of I-35E. Plans call for a mixed-use office complex, hotel, entertainment venue

and retail outlets alongside single-family homes and high-density residential neighborhoods. A system of hike and bike trails and sidewalks will connect neighborhoods with other areas of the development.
    - Construction on Tower Bay Lofts, a resort-style luxury apartment development near Lewisville Lake, is expected to start in early 2018 and will provide a focal point in the City's Northern Gateway.
- **Marketing & Communications** (Strengthen the communications program within the City, enhance the message to residents, and better promote the people and businesses in the City.)
    - Construction started in November on eight gateway monument signs located at entry points into the City. Two additional signs are being built by the state as part of its Median Beautification Program.
    - Old Town Visitor Marketing Plan was completed in July 2017 with parts of the plan being implemented in August 2017. The plan is designed to grow the perception and reputation of Old Town as a desirable location to visit, eat, and shop.
    - A series of real-time performance dashboards measuring a wide range of municipal services were added to the City website. (metrics.cityoflewisville.com). This performance dashboard system is a key component of the City's transparency plan, and helped the City get selected as one of the 100 "What Works City" participants.

Major Roadway Projects—Substantial completion of the I-35E expansion occurred this year within Lewisville. The full project will widen the interstate from 10 to 16 lanes between I-635 and US Highway 380. The City worked with the State and the contractor to complete aesthetic improvements, utility relocation and signal installations along the corridor. The expansion includes free lanes, managed/tolled lanes, and additional new frontage lanes.

Corporate Drive, a $44 million roadway project, encompasses several segments from Waters Ridge to Trinity Drive. Segment 1 & 7 (Waters Ridge to Railroad Street and Josey to Trinity Drive is complete; Segment 6 from FM544 to Josey is complete with the exception of the Kansas City Southern railroad underpass. Segment 5, Holford's Prairie to Old Denton Road, is in the design stage and construction could begin in early 2019. Finally, Segments 2-4, Railroad Street to Holford's Prairie is in the early stages of design. The largest roadway project in the City's history is being funded with City, Denton County and Regional Toll Revenues (RTR).

Residential Growth— A significant number of new residential subdivisions are either underway or planned in Lewisville including a 156-acre annexation of land into the City for a master planned community. The new residential developments have a higher price point than existing residences and are estimated to be in $250,000 to $400,000 price range. These projects include:

PROJECT	LOCATION	RESIDENCE TYPE	PLANNED UNITS	STATUS/COMPLETED
Highpoint Oak Estates	Southwest corner of Vista Ridge Mall Drive & Denton Tap Road	Single family	85	72 units completed; 13 under construction
The Hills of Vista Ridge	Oakbend & Vista Ridge Mall Drive	Single-family	124	72 units completed; 52 units - Under Construction
Wyndale Meadows	East of FM 544 & south of SH 121	Single-family	105	77 units completed
Willowbrook	2698 Denton Tap Rd.	Single-family	75	Building permits issued for 26 homes
Vista Villas	2100 Vista Dr.	Single-family	46	Public improvements being installed
Archer Way	Moccasin Trail & Archer Way	Single-family	38	In plan review
Highland Terrace	NEC of Highland & Denton Tap	Single-family	32	In plan review
Great Lake Crossing	SWC McGee Ln & Daffodil Ln.	Single-family	30	Plans approved
Crescent Estates	Summit Lane south of College Parkway	Single-family	62	31 units completed; 31 under construction
Fireside Village	College Parkway and Summit Avenue	Single-family	33	Broke ground
Lakewood Hills	Josey Lane and Windhaven Parkway	Single-family	523	Broke ground
Legacy Pointe	N. Kealy	Single-family	97	Under construction-Phase 1--25 lots
South Village	Elm Street & Mill Street	Mixed Use	81	Under construction

FINANCIAL INFORMATION

Financial Policies—The City of Lewisville has adopted (with City Council approval) formal written financial policies and administrative directives. These include, among others, policies and directives for Audit, Revenue Management, Expenditure Control, Financial Reserve/Fund Balance Levels, Debt Management, Post-Issuance Compliance for Tax-Exempt Obligations, Investments, and Budget Transfers. Policies and directives are reviewed and amended regularly.

Accounting Procedures and Budgetary Controls—The City's accounting records for general governmental funds are maintained on a modified accrual basis, with revenues being recorded when available and measurable, and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's water and sewer utility and other proprietary activities are maintained on an accrual basis.

The legal level of budgetary control is at the fund level. Budgetary control is maintained at the fund level with encumbrances entered at the time a purchase requisition is approved. Open encumbrances are recorded as assignments of fund balance as of September 30 of each year, and the subsequent year's budget is increased in December or January through an amendment

approved by City Council to reflect these carried-forward encumbrances. Unspent and unencumbered appropriations lapse at the end of the fiscal year.

The budgetary process begins each year with the preparation of both current and proposed year revenue and expenditure estimates by the City's financial management staff with input from each City department. Budgets are reviewed by the City Manager who then makes final decisions and submits a recommended budget to the City Council. The proposed budget is reviewed extensively by the City Council, a process that includes a Charter-mandated public hearing, in addition to a work session, which is open to the public. The City Charter requires adoption of the City budget prior to the beginning of the fiscal year.

While the budget is developed and controlled at the departmental level, appropriations are made at the fund level. An ordinance establishes the budget for operating expenditures, debt service payments and use of reserves, while a separate ordinance establishes the property tax rate.

As part of each year's budget development process, departments are required to update revenue and expenditure estimates for the current fiscal year. These estimates are reviewed by the Director of Strategic Services, the City Manager, and the City Council concurrent with review of the proposed budget. This re-estimated budget may require a supplemental appropriation and, if so, such supplemental appropriation is approved by ordinance adopted by the City Council prior to the end of the current fiscal year.

During the course of the fiscal year, expenditure controls are maintained by each department director with overall review exercised by the Director of Strategic Services and the City Manager. Monthly revenue and departmental expenditure reports are generated by an automated management accounting system and provide expenditure totals and encumbrances at the line-item level for the most recently completed month, as well as a year-to-date total, and an actual versus planned rate of expenditure. Major expenditure requests are reviewed by the Director of Strategic Services prior to the encumbrance of funds.

Constant review of revenue and expenditure trends is maintained with specific responsibility assigned to the Director of Strategic Services. Recommendations for corrective action are made to the City Manager (and to the City Council, if appropriate) as needed to ensure the integrity of the adopted budget.

Tax Rates—All eligible property within the City is subject to assessment, levy, and collection by the City of a continuing, direct ad valorem tax sufficient to provide for the payment of principal and interest on outstanding bonds within the limits prescribed by law, and the payment of operation and maintenance costs as approved by the City Council. Under State law and provisions of the City Charter, the City is limited to a maximum tax rate of $2.50 per $100 assessed valuation. As shown below, the tax rate adopted by the City Council has historically been substantially lower than the maximum provided by law.

The allocation of the property tax levy by purpose (General Fund operations and Debt Service) for fiscal year 2017-18 and the preceding five fiscal years is reflected in the following table:

Purpose	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
General Fund	0.318766	0.318766	0.318766	0.318766	0.322890	0.322890
Debt Service Fund	0.117320	0.117320	0.117320	0.117320	0.117320	0.117320
Total Tax Rate	0.436086	0.436086	0.436086	0.436086	0.440210	0.440210

Tax Appraisal/Collection Responsibilities—Under Texas law enacted in 1979 and subsequent revisions to the State Property Tax Code, the appraised value of taxable property in Lewisville is established by the Central Appraisal District of the county in which the property exists. The City of Lewisville's jurisdiction is predominately in Denton County, but also extends into Dallas County. Therefore, both the Denton Central Appraisal District and the Dallas Central Appraisal District provide values to the City based upon county lines. The City of Lewisville and other taxing jurisdictions in the counties provide a pro rata share of the budgeted expenditures incurred by the respective appraisal district based upon individual levy. In fiscal year 2016-17, the City's payments to the districts for appraisal services were $231,455, a decrease of $4,907, from the amount paid by the City in 2015-16. Since October 1997, the City has contracted with Denton County for tax collection services. The 2016-17 cost was $24,049.

Long-Term Financial Planning—The City prepares a series of multi-year financial plans and forecasts that enable the City to reasonably predict future impacts on the government's financial position. For its two largest funds, the General Fund and the Water and Sewer Utility Fund, a five-year financial plan is prepared in addition to a five-year street and drainage program and a five-year water and sewer capital improvement project plan. In the age of rapid technological advances, a five-year strategic technology plan is prepared as well.

Debt Administration—Two ratios traditionally used to analyze the debt structure of municipalities are presented below. Revenue debt has been excluded since service and user charges made by utility system customers are used to retire such debt and no ad valorem tax proceeds are used for utility revenue bond debt service.

Outstanding General Obligation, Tax Notes and Certificates of Obligations at 9-30-17 (Net of Debt Service)	$98,407,074
Estimated Population	103,640
General Debt per Capita	$926
Net General Debt per Assessed Value	1.12%

The City's underlying bond ratings at September 30, 2017 were as follows:

	General Obligation	Revenue
Standard & Poor's	AAA	AAA
Fitch Ratings	AAA	AAA

OTHER INFORMATION

Independent Audit—According to Section 34 of the City Charter of the City of Lewisville, an annual independent audit is required to be made of the financial records of the City by a Public Accountant or Certified Public Accountant selected by the City Council. The City of Lewisville has engaged the firm of Weaver, L.L.P. and the opinion is included in this report.

It should be noted that the auditors included all funds in their audit, performed their audit in accordance with generally accepted auditing standards, and stated that, in their opinion, the statements herein present fairly, in all material respects, the financial position of the City at September 30, 2017, and the changes in financial position and cash flows, where applicable, for the year then ended in conformity with generally accepted accounting principles.

Certificate of Achievement—The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lewisville for its Comprehensive Annual Financial Report for the Fiscal Year ended September 30, 2016. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Lewisville has received a Certificate of Achievement for the last 28 consecutive years (fiscal years ended 1989-2016). We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements—The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. Special appreciation is given to these staff members whose effort was instrumental in the publication of this comprehensive report.

Respectfully submitted,

Donna Barron
City Manager

Brenda Martin, CPA
Director of Finance

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Lewisville

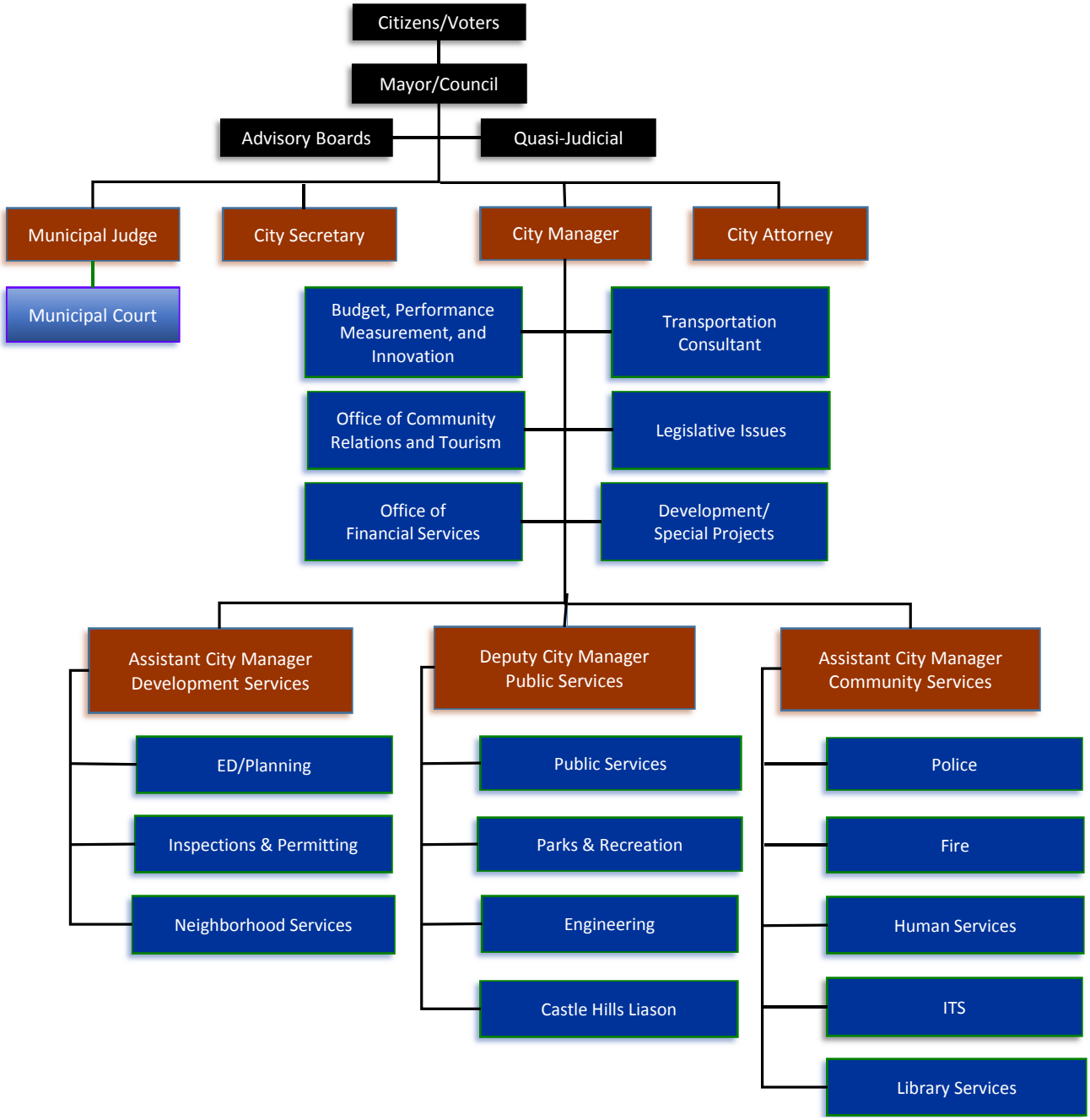
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2016

Christopher P. Morrill

Executive Director/CEO


Citizens/Voters
Mayor/Council
Advisory Boards
Quasi-Judicial
Municipal Judge
City Secretary
City Manager
City Attorney
Municipal Court
Budget, Performance Measurement, and Innovation
Transportation Consultant
Office of Community Relations and Tourism
Legislative Issues
Office of Financial Services
Development/ Special Projects
Assistant City Manager Development Services
Deputy City Manager Public Services
Assistant City Manager Community Services
ED/Planning
Inspections & Permitting
Neighborhood Services
Public Services
Parks & Recreation
Engineering
Castle Hills Liason
Police
Fire
Human Services
ITS
Library Services

– Elected Officials –

Mayor	Rudy Durham
Mayor Pro Tem	Brent Daniels
Deputy Mayor Pro Tem	Brandon Jones
Councilman	R Neil Ferguson
Councilman	TJ Gilmore
Councilman	Bob Troyer

– Appointed Officials –

City Manager	Donna Barron
City Secretary	Julie Worster
City Attorney	Lizbeth Plaster
Municipal Judge	Brian S. Holman

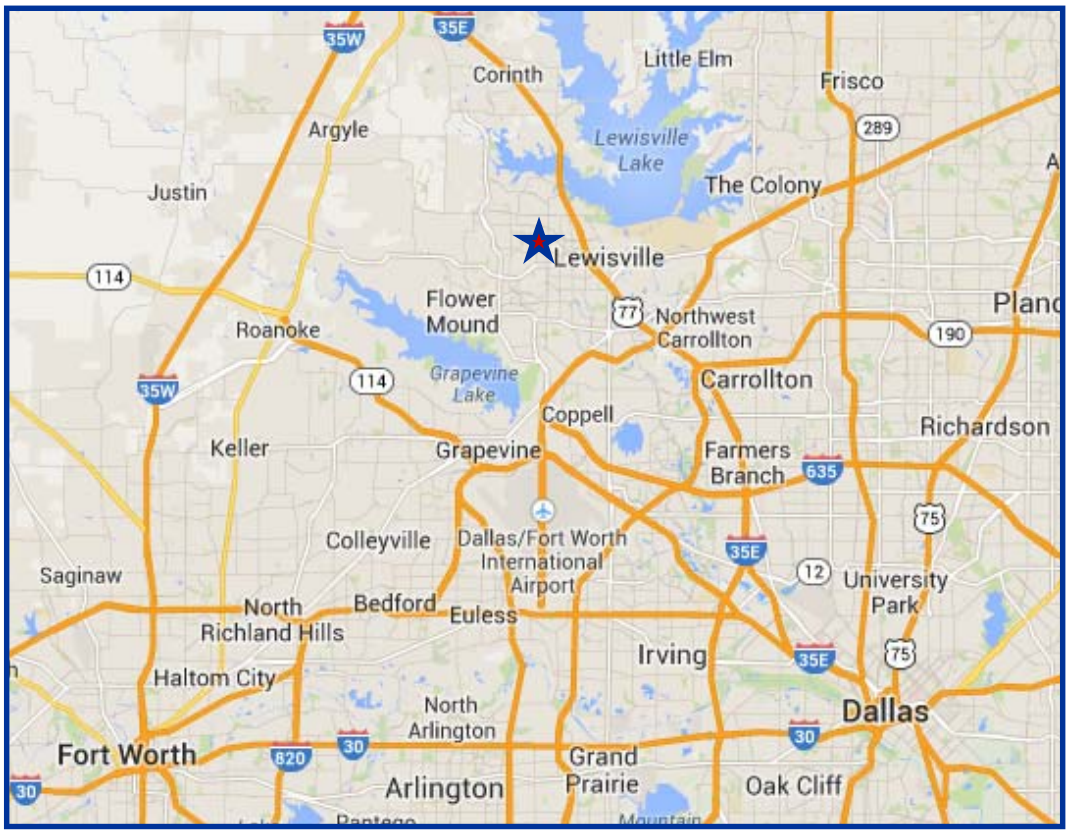
– Assistant City Managers –

Deputy City Manager	Eric Ferris
Assistant City Manager	Claire Swann
Assistant City Manager	Melinda Galler

– Department Directors –

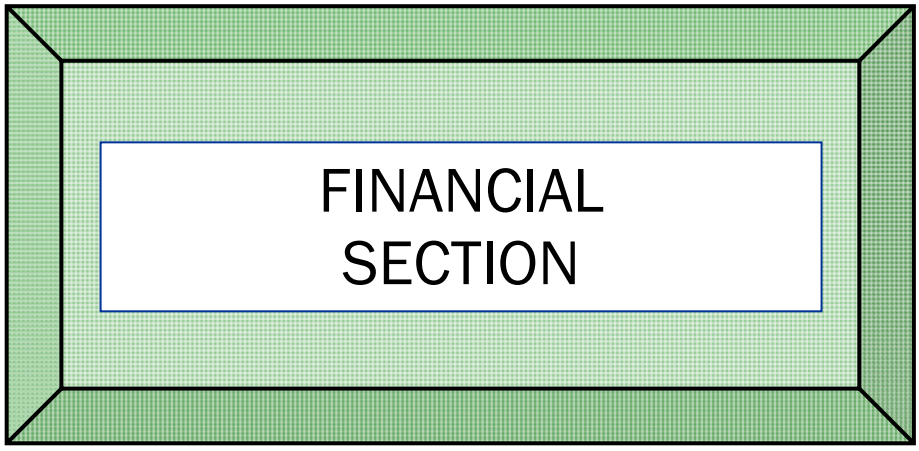
Strategic Services	Gina Thompson
Community Relations and Tourism	James Kunke
Economic Development	Nika Reinecke
Engineering	David Salmon
Financial Services	Brenda Martin
Fire	Tim Tittle
Human Resources	Matt Grebliunas
Information Technology Services	Chris Lee
Library Services	Carolyn Booker
Neighborhood and Inspection Services	Wayne Snell
Parks and Recreation	Stacie Anaya
Planning	Richard Luedke
Police	Russ Kerbow
Public Services	Keith Marvin

CITY OF LEWISVILLE, TEXAS – AREA MAP



LEWISVILLE

Deep Roots. Broad Wings. Bright Future.


FINANCIAL
SECTION

LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

Independent Auditor's Report

To the Honorable Mayor,
City Council, and City Manager
City of Lewisville, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lewisville (the City), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

The Honorable Mayor,
City Council, and City Manager
City of Lewisville, Texas

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 19-30), TMRS pension schedules (pages 91-93) and OPEB liability trust fund schedules (pages 94-96) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

The Honorable Mayor,
City Council, and City Manager
City of Lewisville, Texas

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
February 27, 2018

LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

This discussion and analysis of the City of Lewisville's financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2017. Please read it in conjunction with the accompanying transmittal letter and the basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Lewisville exceeded its liabilities and deferred inflows of resources at the close of the fiscal year ending September 30, 2017 by $686,211,675 (net position). Of this amount, $55,639,532 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

- The City of Lewisville's total net position increased by $33,998,422 for the year ended September 30, 2017.

- As of September 30, 2017, the City of Lewisville's governmental funds reported combined ending fund balances of $131,523,762, an increase of $26,376,129 in comparison with the prior fiscal year.

- At the end of the current fiscal year, unassigned fund balance for the general fund was $38,970,279 or approximately 51.2 percent of total general fund expenditures.

- The City's total outstanding bonds increased by $3,870,000 during the current fiscal year. In 2017, the City issued $14,365,000 of General Obligation Bonds and $11,025,000 of Waterworks and Sewer System Revenue Refunding and Improvement Bonds. These proceeds, with a portion of available debt service funds, were used to pay off $5,045,000 of revenue bonds. The addition of $14,365,000 of General Obligation bonds and $5,980,000 of Waterworks and Sewer System Improvement bonds was offset by amortization payments on existing debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the City of Lewisville's basic financial statements. The City of Lewisville's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Lewisville's finances, in a manner similar to private-sector business. The statement of net position presents information on all of the City of Lewisville's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two

reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Lewisville is improving or deteriorating. The statement of net position combines and consolidates governmental funds current financial resources (short-term spendable resources) with capital assets and long-term obligations. Other non-financial factors should also be taken into consideration, such as changes in the City's property tax base and the condition of the City's infrastructure (i.e. roads, bridges, drainage improvements, alleys, etc.), to assess the overall health or financial condition of the City.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All of the current year revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods; for example, uncollected taxes and earned but not used vacation leave. Both the statement of net position and the statement of activities are prepared utilizing the accrual basis of accounting.

In the Statement of Net Position and the Statement of Activities, the City is divided into three kinds of activities:

- *Governmental activities* – Most of the City's basic services are reported here, including the police, fire, library, community development and public services, information technology services, parks and recreation, municipal court, tourism, and general administration. Property taxes, sales taxes, and franchise fees finance most of these activities.

- *Business-type activities* – The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer system is reported here.

- *Component units* – The City includes nine separate legal entities in its report –Lewisville Housing Finance Corporation, Lewisville Industrial Development Authority, Inc., Lewisville Parks and Library Development Corporation, Tax Increment Reinvestment Zone Number 1 (Lewisville Old Town), Tax Increment Reinvestment Zone Number 2, Lewisville Local Government Corporation, Health Benefit Trust, Lewisville Crime Control and Prevention District, and Lewisville Fire Control, Prevention, and Emergency Medical Services District. Although legally separate, these component units are important because the City is financially accountable for them.

Reporting the City's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by state law and by bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, or other money. The City's two types of funds – Governmental and Proprietary – utilize different accounting approaches.

Governmental funds – The majority of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. The relationships or differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are detailed in a reconciliation following the fund financial statements.

The City of Lewisville maintains twenty-two governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, General Capital Projects Fund, and Castle Hills PID Capital Projects Fund, all of which are considered to be major funds. Data from the other eighteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds – The City charges customers for the services it provides, whether to outside customers or to other units within the City. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are identical to the business-type activities that are reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. The internal service funds (the other component of proprietary funds) are utilized to report activities that provide supplies and services for the City's other programs and activities. Because these services benefit both governmental as well as business type functions, they have been included in both the governmental and business-type activities in the government-wide financial statements.

The City of Lewisville maintains one enterprise fund to account for water and sewer services provided to the City's retail and wholesale customers. All activities associated with providing such services are accounted for in this fund, including administration, operation, maintenance, debt service, capital improvements, billing and collection. The City's intent is that costs of providing the services to the general public on a continuing basis are financed through user charges in a manner similar to a private business enterprise.

The City of Lewisville maintains three internal service funds to account for funds accumulated to self-insure for health, liability, property and casualty losses, worker compensation claims, life insurance, long-term disability, vehicle, technology, and equipment replacement and fleet

maintenance. Individual fund data for each of these non-major business-type funds is provided in the form of combining statements elsewhere in this report.

The City as Trustee

Reporting the City's Fiduciary Responsibilities

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The City's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. The activities of these funds are excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for its intended purpose.

Other Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information and a statistical section that is intended to assist users in assessing the economic condition of the City.

THE CITY AS A WHOLE – Government-Wide Financial Analysis

The City's combined net position was $686,211,675 as of September 30, 2017. Analyzing the net position of governmental and business-type activities separately, the business type activities net position is $253,653,810. This analysis focuses on the net position (Table 1) and changes in general revenues (chart) and significant expenses of the City's governmental and business-type activities.

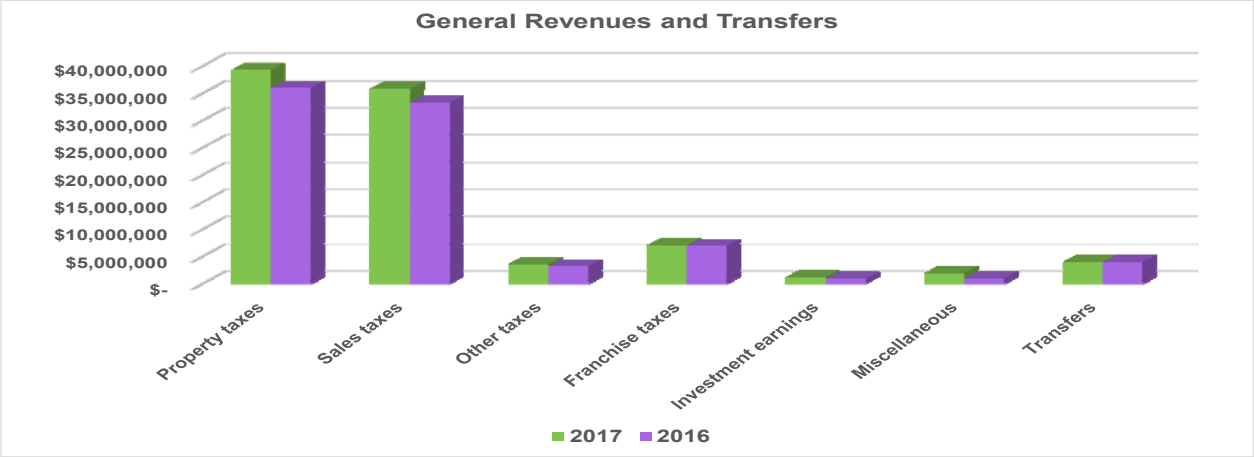
By far the largest portion of the City's net position (80.8 percent) reflects its investment in capital assets (i.e., land, buildings, machinery, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1: Net Position

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	$ 223,374,907	$ 200,211,522	$ 74,324,913	$ 72,752,965	$ 297,699,820	$ 272,964,487
Capital assets	392,889,787	382,489,134	241,416,757	236,086,078	634,306,544	618,575,212
Total assets	616,264,694	582,700,656	315,741,670	308,839,043	932,006,364	891,539,699
Deferred outflows	17,858,089	20,513,012	2,392,613	2,397,514	20,250,702	22,910,526
Noncurrent liabiliites	148,740,735	129,003,636	58,892,486	57,631,608	207,633,221	186,635,244
Other liabilities	50,040,610	68,375,173	5,294,804	4,727,013	55,335,414	73,102,186
Total liabilities	198,781,345	197,378,809	64,187,290	62,358,621	262,968,635	259,737,430
Deferred inflows	2,783,573	2,259,018	293,183	240,524	3,076,756	2,499,542
Net assets:						
Net investment in capital assets	331,724,740	313,408,098	222,703,569	216,339,053	554,428,309	529,747,151
Restricted for debt service	30,987,300	33,715,282	7,316,115	6,528,158	38,303,415	40,243,440
Restricted for capital projects	22,731,864	3,821,041	-	-	22,731,864	3,821,041
Restricted for special revenue	15,108,555	16,859,927	-	-	15,108,555	16,859,927
Unrestricted	32,005,406	35,771,493	23,634,126	25,770,201	55,639,532	61,541,694
Total net position	$ 432,557,865	$ 403,575,841	$ 253,653,810	$ 248,637,412	$ 686,211,675	$ 652,213,253

Governmental Activities

The City's general revenues and transfers increased when compared to the prior year by 9.18% or $7,771,520. The primary reasons for this increase were sales tax and property tax revenues. Both major revenue sources were reflective of the strong, stable economic climate the City continues to experience. Sales tax revenue increased $2.52 million (7.6%) from the prior year. Taxable assessed valuation of properties in the City increased by $585.4 million or 7.4% as compared to the prior year while the tax rate remained the same at $0.436086 per $100 assessed valuation. The changes in the City's general revenues are as follows:



Governmental activities increased the City's net position by $28,982,024. The key elements of this increase are as follows:

Table 2: Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenues:						
Charges for service	$ 18,139,209	$ 16,103,319	$ 30,566,320	$ 29,392,347	$ 48,705,529	$ 45,495,666
Operating grants and contributions	4,291,331	2,459,898	-	-	4,291,331	2,459,898
Capital grants and contributions	26,620,718	27,519,322	5,592,092	11,561,859	32,212,810	39,081,181
General revenues:						
Property taxes	39,199,153	35,885,150	-	-	39,199,153	35,885,150
Other taxes	46,284,751	43,172,134	-	-	46,284,751	43,172,134
Other	3,011,533	1,724,088	513,309	454,928	3,524,842	2,179,016
Total revenues	137,546,695	126,863,911	36,671,721	41,409,134	174,218,416	168,273,045
Expenses:						
General government	19,373,580	16,558,383	-	-	19,373,580	16,558,383
Culture, parks and recreation	12,290,135	11,595,165	-	-	12,290,135	11,595,165
Public safety	51,065,140	48,023,020	-	-	51,065,140	48,023,020
Public and development services	26,561,696	24,054,096	27,727,921	25,719,450	54,289,617	49,773,546
Interest on long-term debt	3,201,522	3,007,969	-	-	3,201,522	3,007,969
Total expenses	112,492,073	103,238,633	27,727,921	25,719,450	140,219,994	128,958,083
Increase in net position before transfers	25,054,622	23,625,278	8,943,800	15,689,684	33,998,422	39,314,962
Transfers	3,927,402	3,869,947	(3,927,402)	(3,869,947)	-	-
Increase in net position	28,982,024	27,495,225	5,016,398	11,819,737	33,998,422	39,314,962
Net position - beginning	403,575,841	376,080,616	248,637,412	236,817,675	652,213,253	612,898,291
Net position - ending	$ 432,557,865	$ 403,575,841	$ 253,653,810	$ 248,637,412	$ 686,211,675	$ 652,213,253

Charges for services and General revenues increased $9.7 million over the previous year and is discussed in more detail below under the General Fund sections. Operating grants increased from 2016 mainly due to $820,446 increase in Federal Grant contributions related to Morningside-Poydras-Decker Asphalt Rehabilitation and Manhole Rehabilitation.

The most significant governmental expense for the City is payroll and personnel-related cost. For the year, these costs were $65,640,341 or 58.4% of total expenses. Payroll costs were closely monitored and along with vacancies, came in $1,040,434 less than originally budgeted.

For activities, public safety incurred expenses of $51,065,140. These expenses were offset by charges for services revenue of $7,529,350, which were collected from a variety of sources, with the largest being from fines and forfeitures. The largest portion of public safety is the cost of personnel which is $43,011,521. Other significant governmental expenses for the City include

public and development services which incurred $26,561,696 in expenses, of which $9,717,897 represents personnel charges and the general government activity which incurred $19,373,580 in expenses, of which $7,687,369 represents personnel charges. General government encompasses mayor and council, administration, legal, finance, human resources, information technology services, community relations and tourism departments. The Parks and Recreation Department incurred $12,290,135 in expenses, of which $5,223,554 represents personnel charges.

Business-type Activities

Business-type activities increased the City's net position by $5,016,398. The increase in net revenues is the result of several factors, including the following:

- The City's water and sewer system recorded charges for services of $30,566,320. This revenue source increased $1,173,973 due to a 3.5% rate increase for the fiscal year. Non-cash capital contributions from developers and cash receipts in the form of development impact fees amounted to $5,592,092. This revenue decreased $5,969,767 from 2016 due to a decrease in the amount of dedicated Castle Hills infrastructure. Developer contributions are public improvement infrastructure projects that are completed by the developer and dedicated to the City. The charges for services exceeded expenses by $2.84 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2017, the City had $634.3 million invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, bridges, and water and sewer lines.

Table 3
Capital Assets at Year-end
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Improvements	$ 250,058,346	$ 236,270,577	$ 305,277	$ 354,753	$ 250,363,623	$ 236,625,330
Land	60,584,592	56,462,513	2,502,137	2,368,892	63,086,729	58,831,405
Buildings	44,384,217	45,914,692	1,441,845	631,042	45,826,062	46,545,734
Machinery & equipment	19,669,552	19,070,142	874,719	576,680	20,544,271	19,646,822
Construction in progress	18,193,080	24,771,210	6,034,397	11,174,230	24,227,477	35,945,440
Water system	-	-	139,461,941	130,859,221	139,461,941	130,859,221
Sewer system	-	-	90,796,441	90,121,260	90,796,441	90,121,260
Totals	$ 392,889,787	$ 382,489,134	$ 241,416,757	$ 236,086,078	$ 634,306,544	$ 618,575,212

Major capital asset additions for 2016-2017 include:

Valley Ridge Mill - College Steets/Sidwalks	$ 16,353,155
Serendipity Village - Water Line Replacements	3,088,722
Valley Ridge Mill - College Water Systems	2,416,991
Concrete Improvements	2,212,246
Indian Creek Lift Station	2,123,918
Water Line Replacements	2,017,105
I35 Utility Adjustments	1,605,702
Valley Ridge Mill - College Land/ROW	1,018,783
	$ 30,836,622

The City's fiscal year 2016-17 capital improvement program authorizes it to spend $126 million for capital projects. These improvements are in the following categories: water and sewer, street, drainage, park, municipal/technology, facility, and public safety. The aforementioned amount of $126 million is made up of both current year appropriations, as well as carryover amounts appropriated but not yet expended.

To support the capital improvement program, funds are obtained from the issuance of bonds, interest earnings, transfers from operating funds, developer contributions, or a combination of these sources. To illustrate, new Enterprise disk space technology for 2016-17 consists of $72,164 in cash funding with $36,082 coming from General Fund cash and $36,082 coming from Crime Control cash.

Additional information on the City of Lewisville's capital assets can be found in Note 5 of the Notes to Financial Statements included in this report.

Debt

At year end, the City had $139.81 million in general obligation, tax notes, certificates of obligation, and revenue bonds outstanding as compared to $135.94 million at the end of the prior fiscal year, an increase of 2.8 percent as shown in Table 4.

Table 4
Outstanding Debt at Year End
(in Thousands)

	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
General obligation bonds, tax notes and certificates of obligation (backed by the City)	$ 90,415	$ 87,185	$ -	$ -	$ 90,415	$ 87,185
General obligation and revenue bonds (backed by fee revenues)	-	-	49,395	48,755	49,395	48,755
Totals	$ 90,415	$ 87,185	$ 49,395	$ 48,755	$ 139,810	$ 135,940

For more detailed information on long-term debt activity, refer to Note 11 in the Notes to Financial Statements.

The City's General Obligation Bonds and Water and Sewer Revenue Bonds carry an AAA rating from Standard and Poor's and Fitch Ratings. Both of these entities are national rating agencies. The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The current ratio of tax-supported debt to assessed value of all taxable property is 1.12%.

THE CITY'S FUNDS

At the close of the City's fiscal year on September 30, 2017, the governmental funds of the City reported a combined fund balance of $131.52 million, a $26.4 million increase from the previous year, mainly due to the issuance of general obligation bonds for capital projects and contributions related to Castle Hills.

The City's General Fund balance was $40.3 million which was $2.38 million more than the prior year fund balance. Property and sales tax collections increased along with planned budgeted expenditures. Current year's activity resulted in a positive variance of $8.7 million when compared to the final amended budget of $31.57 million. Significant budgetary variances between the final amended budget and the actual results can be summarized as follows:

- Tax revenue was $3,559,698 more than estimated. The primary reason was sales tax revenue, which was $3,244,395 more than budgeted due to a strong economy and a conservative budgeting policy which sets budget at the prior year's estimate for this revenue.

- Charges for services was $1,254,520 higher than budgeted primarily due to commercial refuse fees of $327,672, which increased due to higher rates; land host fee receipts of $639,776, which increased due to a new contract; and building permits revenue of $318,683 being higher than anticipated due to increased development.

- When combined, Police, Fire, Public Services, Development Services, and General Government departments had lower than expected expenditures resulting in a favorable variance of $1,785,470. This variance is primarily due to salary savings from employee vacancies.

The City's Water and Sewer Fund net position of $253.8 million increased by $4.92 million over the prior year net position balance. The increase is primarily due to operating revenues and dedicated infrastructure continuing to remain well above operating expenses.

The City's Internal Service Funds net position of $15.6 million increased by $1.0 million from the prior year net position balance. Collectively, the Health Benefit Trust Fund and the Self-Insurance

Risk Fund experienced premium revenues in excess of insurance claims and other expenses by $1.01 million. The Maintenance and Replacement Fund experienced a $6,463 decrease in net position mainly due to planned capital replacement costs exceeding one year's lease payments.

General Fund Budgetary Highlights

During fiscal year 2016-17, the City Council amended the budget for the General Fund on two separate occasions; in December for the routine supplement completed each year for prior year encumbrances (purchases) that overlap into the next fiscal year; and in September to appropriate changes the Council reviewed at mid-year including Economic Development incentive funding, legal fees, and consultant fees related to the sales tax audit. Staff reviewed the supplemental appropriations and determined that reserves were sufficient to recommend approval. The net decrease to the General Fund budgetary fund balance for the year was $1,634,360.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's elected and appointed officials considered many factors when setting the fiscal year 2018 budget, tax rates, and fees that will be charged for the business-type activities. One of those factors is the economy. The City has experienced major growth in local business and development activity over the past two years.

The economic climate in Lewisville is stable with low unemployment and as a result Lewisville enjoys an above-average income level per household. This, in combination with the City's proximity to two major highways, the Dallas Fort Worth International Airport, and an active economic development program, have made Lewisville a leader in the regional retail market. The City continues to attract new and existing companies due to the strategy of working diligently with businesses on relocation incentives.

These factors are taken into consideration when adopting the General Fund budget for fiscal year 2018. The combined budget appropriation for fiscal year 2017-18 totals $171.6 million for twenty-five operating funds. Another $18.2 million is appropriated in the City's internal service funds.

Ad valorem tax revenue is determined by two major factors: the total assessed value established by the Denton County Central Appraisal District and the tax rate established by the Lewisville City Council. The Lewisville City Council chose to hold the tax rate steady for the current fiscal year at .436086 cents per $100 assessed valuation. This tax rate brings in more tax revenue ($2.673 million) for the 2017-18 fiscal year due to the new tax rate being applied to an increased tax base. Property values increased $809 million or 9.47%. This brings the property tax revenue budgeted for FY 2017-18 to $30.806 million, making it the single largest General Fund revenue source.

The General Fund's second largest revenue source in fiscal year 2017-18 is sales tax receipts. Due to the volatility of the sales tax revenue source, the City has been very conservative in projecting sales tax revenue. This conservative philosophy was formalized in the City's written Revenue Policy adopted by the City Council. Under this policy sales tax revenue budget for subsequent

fiscal years is limited to the estimated receipts for the current fiscal year. This practice effectively mitigates, to a large degree, the volatile nature of the sales tax revenue source. The City's budgeted sales tax revenue is $28.053 million.

Budgeted operating expenditures in the General Fund are expected to increase $5.01 million from the 2017-18 fiscal year re-estimated budget. These expenditures are offset by increases in revenue. The only change in fund balance is the $11.002 million in transfers out for planned, one time expenditures.

As for the City's business type activities, the City budgeted a decrease of $2.538 million for the Water and Sewer Fund's net position. This decrease is due to budgeting transfers to capital improvement projects for water and sewer line replacements as well as for economic development agreement liabilities.

Water and sewer rates were reviewed by the City Council for fiscal year 2017-18. There was a 6% increase to both water or sewer rates.

RETIREE HEALTHCARE

The City is committed to providing postemployment retiree health benefits that are fair to both employees and taxpayers and can be sustained over the long term.

Effective fiscal year 2017, Governmental Accounting Standards Board (GASB) Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans" created specific reporting requirements for improvement of the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports for the City's OPEB Liability Trust Fund. This Statement replaces Statements No. 43, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended," and No. 57, "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans." The Statement includes specific valuation requirements that provide a rigorous standard measure that can be used to compare the City's OPEB liabilities to other governments from around the nation as well as certain approved actuarial methods that reflect any unfunded actuarial accrued liabilities. This information, combined with the City's history of making those contributions, provides insights regarding the City's commitment to and the effectiveness of its funding strategy.

Information is included as new schedules of Required Supplementary Information (RSI)—Schedule of Changes in Net OPEB Liability and Related Ratios and Schedule of Contributions and Investment Returns.

Another GASB Statement, No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" establishes new accounting and other related financial reporting requirements for governments whose employees are provided with OPEB. This Statement is effective next fiscal year and is not being implemented for this reporting period.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and reflect the City's accountability for the resources it receives. If you have questions about this report or need additional financial information, contact the Director of Finance, City of Lewisville, 151 West Church Street, Lewisville, Texas 75057.

BASIC FINANCIAL STATEMENTS

LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

CITY OF LEWISVILLE, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2017

EXHIBIT 1

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
ASSETS				
Cash	$ 21,142,909	$ 3,381,202	24,524,111	$ 2,088,439
Investments	155,916,159	22,461,824	178,377,983	13,954,730
Receivables (net of allowance for uncollectibles)				
Accounts	4,968,753	4,865,493	9,834,246	-
Taxes	8,377,604	-	8,377,604	1,260,127
Interest	325,675	63,346	389,021	31,635
Other	497,334	4,983	502,317	-
Internal balances	138,941	(138,941)	-	-
Note receivable from component units	28,925,000	-	28,925,000	-
Inventory of supplies	122,406	-	122,406	-
Prepaid items	2,960,126	25,634	2,985,760	221
Restricted assets				
Cash	-	5,673,908	5,673,908	-
Investments	-	37,912,455	37,912,455	-
Interest receivable	-	75,009	75,009	-
Capital assets				
Non-depreciable	78,777,672	8,536,534	87,314,206	42,694
Depreciable (net of accumulated depreciation)	314,112,115	232,880,223	546,992,338	6,153,931
Total assets	616,264,694	315,741,670	932,006,364	23,531,777
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	1,079,003	648,340	1,727,343	-
Pension contributions after measurement date	8,044,119	807,528	8,851,647	140,794
Difference in projected and actual earnings on pension assets	8,734,967	936,745	9,671,712	126,479
Total deferred outflows of resources	17,858,089	2,392,613	20,250,702	267,273
LIABILITIES				
Accounts payable	6,066,657	2,694,484	8,761,141	184,987
Incurred but not reported claim reserve	1,608,864	-	1,608,864	-
Accrued liabilities	2,773,172	290,525	3,063,697	60,632
Accrued interest payable	394,452	230,714	625,166	160,446
Contracts and retainable payable	719,705	203,207	922,912	300
Deposits payable	29,050	1,748,041	1,777,091	-
Unearned revenue	37,195,300	-	37,195,300	-
Escrow payable	1,253,410	127,833	1,381,243	-
Noncurrent liabilities				
Due within one year	16,066,345	6,507,672	22,574,017	2,291,908
Due in more than one year	132,674,390	52,384,814	185,059,204	27,117,784
Total liabilities	198,781,345	64,187,290	262,968,635	29,816,057
DEFERRED INFLOWS OF RESOURCES				
Difference in expected and actual pension experience	2,783,573	293,183	3,076,756	41,235
Total deferred inflows of resources	2,783,573	293,183	3,076,756	41,235
NET POSITION				
Net investment in capital assets	331,724,740	222,703,569	554,428,309	293,559
Restricted for				
Debt service	30,987,300	7,316,115	38,303,415	-
Capital projects	22,731,864	-	22,731,864	-
Special revenue	15,108,555	-	15,108,555	-
Tax increment reinvestment zone	-	-	-	2,037,474
Unrestricted	32,005,406	23,634,126	55,639,532	(8,389,275)
Total net position	$ 432,557,865	$ 253,653,810	$ 686,211,675	$ (6,058,242)

The notes to the financial statements are an integral part of this statement.

CITY OF LEWISVILLE, TEXAS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government				
Governmental activities				
General government	$ 19,373,580	$ 5,602,107	$ 1,500	$ 3,043,308
Culture and recreation	12,290,135	1,879,756	528,906	-
Public safety	51,065,140	7,529,350	1,067,101	-
Public & development services	26,561,696	3,127,996	1,359,099	23,577,410
Interest and fiscal charges	3,201,522	-	1,334,725	-
Total governmental activities	112,492,073	18,139,209	4,291,331	26,620,718
Business-type activities				
Water and sewer	27,727,921	30,566,320	-	5,592,092
Total business-type activities	27,727,921	30,566,320	-	5,592,092
Total primary government	$ 140,219,994	$ 48,705,529	$ 4,291,331	$ 32,212,810
Component Units				
Tax increment reinvestment zone1	715,845	-	-	-
Tax increment reinvestment zone2	1,000,000	-	-	-
LPLDC (4B) fund	4,539,624	208,304	-	-
Total component units	$ 6,255,469	$ 208,304	$ -	$ -
GENERAL REVENUES AND TRANSFERS				
Taxes				
Property taxes, levied for general purposes				
Sales taxes				
Other taxes				
Franchise taxes				
Hotel motel taxes				
Penalties and interest				
Investment earnings				
Gain on sale of assets				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
NET POSITION - beginning				
NET POSITION - ending				

The notes to the financial statements are an integral part of this statement.

Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
$ (10,726,665)	$ -	$ (10,726,665)	$ -
(9,881,473)	-	(9,881,473)	-
(42,468,689)	-	(42,468,689)	-
1,502,809	-	1,502,809	-
(1,866,797)	-	(1,866,797)	-
(63,440,815)	-	(63,440,815)	-
-	8,430,491	8,430,491	-
-	8,430,491	8,430,491	-
(63,440,815)	8,430,491	(55,010,324)	-
-	-	-	(715,845)
-	-	-	(1,000,000)
-	-	-	(4,331,320)
$ -	$ -	$ -	$ (6,047,165)
38,990,482	-	38,990,482	1,338,160
35,730,891	-	35,730,891	7,420,153
958,170	-	958,170	-
6,999,960	-	6,999,960	-
2,595,730	-	2,595,730	-
208,671	-	208,671	-
1,132,897	464,858	1,597,755	106,010
77,614	-	77,614	-
1,801,022	48,451	1,849,473	-
3,927,402	(3,927,402)	-	-
92,422,839	(3,414,093)	89,008,746	8,864,323
28,982,024	5,016,398	33,998,422	2,817,158
403,575,841	248,637,412	652,213,253	(8,875,400)
$ 432,557,865	$ 253,653,810	$ 686,211,675	$ (6,058,242)

CITY OF LEWISVILLE, TEXAS
GOVERNMENTAL FUNDS
BALANCE SHEET
SEPTEMBER 30, 2017

EXHIBIT 3

	General	Debt Service Fund	Castle Hills PID Capital Project	General Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash	$ 4,627,283	$ 307,526	$ -	$ 12,522,804	$ 1,785,500	$ 19,243,113
Investments	30,876,601	2,054,859	17,787,540	83,676,041	11,352,639	145,747,680
Receivables (net of allowances for uncollectibles)						
Taxes	7,116,624	68,553	-	-	1,192,427	8,377,604
Accounts	2,615,370	-	-	593,146	1,213,525	4,422,041
Unbilled accounts	299,345	-	-	-	-	299,345
Interest	73,007	4,689	4,625	189,559	27,562	299,442
Court	226,728	-	-	-	-	226,728
Other	475,858	21,125	-	-	351	497,334
Due from other funds	512,064	-	-	1,299,077	2,008	1,813,149
Note receivable from component units	-	28,925,000	-	-	-	28,925,000
Prepaid items	263,615	-	-	-	2,493,293	2,756,908
Total assets	$ 47,086,495	$ 31,381,752	$ 17,792,165	$ 98,280,627	$ 18,067,305	$ 212,608,344
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts and contracts payable	2,427,579	-	1,341,415	1,604,823	539,446	5,913,263
Accrued liabilities	2,470,409	-	-	-	269,731	2,740,140
Deposits payable	10,750	-	-	-	18,300	29,050
Unearned revenue	-	-	-	36,473,854	721,446	37,195,300
Money held in escrow	83,775	-	-	1,165,194	4,441	1,253,410
Retainage	-	-	-	719,705	-	719,705
Due to other funds	16,266	-	-	-	1,791,334	1,807,600
Total liabilities	5,008,779	-	1,341,415	39,963,576	3,344,698	49,658,468
Deferred inflows of resources						
Unavailable resources	1,789,586	28,993,553	-	593,146	49,829	31,426,114
Total deferred inflows of resources	1,789,586	28,993,553	-	593,146	49,829	31,426,114
Fund balances						
Nonspendable	263,615	-	-	-	2,493,293	2,756,908
Restricted for						
Debt service	-	2,388,199	-	-	-	2,388,199
Capital projects	-	-	16,450,750	38,618,044	-	55,068,794
Other purposes	-	-	-	-	12,611,477	12,611,477
Committed to						
Capital projects	-	-	-	4,834,894	-	4,834,894
Other purposes	-	-	-	-	836,656	836,656
Assigned to						
Capital projects	-	-	-	14,270,967	-	14,270,967
Other purposes	1,054,236	-	-	-	-	1,054,236
Unassigned	38,970,279	-	-	-	(1,268,648)	37,701,631
Total fund balances	40,288,130	2,388,199	16,450,750	57,723,905	14,672,778	131,523,762
Total liabilities, deferred inflows of resources and fund balances	$ 47,086,495	$ 31,381,752	$ 17,792,165	$ 98,280,627	$ 18,067,305	$ 212,608,344

The notes to the financial statements are an integral part of this statement.

CITY OF LEWISVILLE, TEXAS **EXHIBIT 4**
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2017

Total fund balances, governmental funds	$ 131,523,762
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.	387,782,549
Interest payable on long-term debt does not require current financial resources; therefore, interest payable is not reported as a liability in the governmental funds balance sheet.	(394,452)
Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements.	31,426,114
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the fund financial statements. Amount is less $112,308 for long-term liability in internal service funds already included below.	(148,628,427)
Deferred inflows and outflows of resources associated with the net pension liability are not reported in governmental funds. This is the net effect of the deferred inflows and outflows of resources.	13,995,513
For debt refunding, the difference between the acquisition price and the net carrying amount of the debt has been deferred and amortized in the government-wide financial statements.	1,079,003
An internal service fund is used by management to charge the costs of certain activities, including insurance and vehicle fleet management, to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the government-wide statement of net position, net of amounts charged to enterprise funds of $133,392.	15,773,803
Total net position, governmental activities	$ 432,557,865

The notes to the financial statements are an integral part of this statement.

CITY OF LEWISVILLE, TEXAS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT 5

	General	Debt Service Fund	Castle Hills PID Capital Project	General Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property and other taxes	$ 64,494,201	$ 10,519,364	$ -	$ -	$ 10,412,822	$ 85,426,387
License and permits	3,042,943	-	-	-	-	3,042,943
Intergovernmental	-	3,589,725	-	3,765,801	2,422,555	9,778,081
Charges for services	10,319,431	-	-	-	1,576	10,321,007
Recreation	1,201,459	-	-	-	547,519	1,748,978
Fines	2,664,995	-	-	-	202,759	2,867,754
Investment earnings	257,082	25,346	10,834	617,112	121,328	1,031,702
Contributions and donations	-	-	22,524,000	140,500	550,576	23,215,076
Miscellaneous	676,002	12,296	-	1,050,355	139,986	1,878,639
Total Revenues	82,656,113	14,146,731	22,534,834	5,573,768	14,399,121	139,310,567
EXPENDITURES						
Current						
General government	11,385,795	-	16,567	-	2,165,605	13,567,967
Culture and recreation	7,888,998	-	-	-	999,284	8,888,282
Public safety	43,451,153	-	-	-	4,761,328	48,212,481
Public & development services	13,137,370	-	-	-	1,811,846	14,949,216
Debt Service						
Principal	-	11,135,000	-	-	-	11,135,000
Interest and fiscal charges	-	3,425,426	-	274,059	-	3,699,485
Capital outlay	247,705	-	9,261,996	21,717,777	581,490	31,808,968
Total expenditures	76,111,021	14,560,426	9,278,563	21,991,836	10,319,553	132,261,399
Excess (deficiency) of revenues over (under) expenditures	6,545,092	(413,695)	13,256,271	(16,418,068)	4,079,568	7,049,168
OTHER FINANCING SOURCES (USES)						
Transfers in	4,417,491	-	-	15,277,746	122,352	19,817,589
Transfers out	(8,580,905)	-	-	(396,576)	(7,112,706)	(16,090,187)
Premium (discount) on issuance of bonds tax notes	-	-	-	1,234,559	-	1,234,559
Issuance of general obligation bonds and tax notes	-	-	-	14,365,000	-	14,365,000
Total other financing sources (uses)	(4,163,414)	-	-	30,480,729	(6,990,354)	19,326,961
NET CHANGE IN FUND BALANCES	2,381,678	(413,695)	13,256,271	14,062,661	(2,910,786)	26,376,129
FUND BALANCES - beginning of year	37,906,452	2,801,894	3,194,479	43,661,244	17,583,564	105,147,633
FUND BALANCES - end of year	$ 40,288,130	$ 2,388,199	$ 16,450,750	$ 57,723,905	$ 14,672,778	$ 131,523,762

The notes to the financial statements are an integral part of this statement.

CITY OF LEWISVILLE, TEXAS **EXHIBIT 6**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENT WIDE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

Net change in fund balances, total governmental funds	$ 26,376,129
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Dispositions of capital assets decrease net position. This amount is the net of capital outlay of $28,902,028, less dispostions of $0.	28,902,028
Governmental funds do not recognize assets contributed by developers. However, in the statement of activities the acquisition cost of those assets is recognized as revenue, then allocated over their estimated useful lives and reported as depreciation expense.	1,538,411
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds.	(18,789,053)
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount (bond principal payments of $11,135,000, bonds refunded of $0, less bond proceeds of $14,365,000 less $1,234,559 premium paid, plus amortization of premium of $699,300, and less amortization of deferred charge on refunding of $126,693 is the net effect of these differences in the treatment of long-term debt and related items.	(3,891,952)
Current year changes in the long-term liability for compensated absences do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.	(489,398)
Current year changes in the long-term liability for net pension benefit obligations do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds. The amount represents the difference between current year pension expense ($9,654,638) and contributions ($7,558,877) made after the measurement date.	(2,095,761)
Current year changes in accrued interest payable do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.	(74,643)
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.	(3,403,475)
Internal service funds are used by management to charge the costs of certain activities, such as the purchase of equipment and insurance, to individual funds. The change in net position of certain internal service funds is reported with governmental activities. This is the amount of the change in net position allocated to government activities.	909,738
Change in net position, governmental activities	$ 28,982,024

The notes to the financial statements are an integral part of this statement.

CITY OF LEWISVILLE, TEXAS **EXHIBIT 7**
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual Amounts	(Negative)
REVENUES				
Property and other taxes	$ 60,934,503	$ 60,934,503	$ 64,494,201	$ 3,559,698
License and permits	2,367,050	2,367,050	3,042,943	675,893
Intergovernmental	5,000	5,000	-	(5,000)
Charges for services	9,064,911	9,064,911	10,319,431	1,254,520
Recreation	1,175,250	1,175,250	1,201,459	26,209
Fines	3,002,178	3,002,178	2,664,995	(337,183)
Investment earnings	102,562	102,562	257,082	154,520
Miscellaneous	430,256	430,256	676,002	245,746
Total revenues	77,081,710	77,081,710	82,656,113	5,574,403
EXPENDITURES				
Current				
General government	2,550,397	3,240,308	2,885,690	354,618
Mayor and council	126,202	126,202	86,746	39,456
Administrative and legal	2,534,377	2,640,438	2,490,225	150,213
Community relations/tourism	848,489	782,489	708,876	73,613
Finance	1,538,984	1,548,308	1,507,426	40,882
Human resources	1,006,891	1,006,891	1,057,486	(50,595)
Information technology services	2,834,244	2,842,972	2,649,346	193,626
Culture and recreation	7,995,476	8,115,361	7,888,998	226,363
Police	23,334,613	23,495,660	23,199,377	296,283
Fire	19,034,456	19,597,567	19,268,282	329,285
Emergency management	179,825	-	-	-
Municipal court	1,014,176	1,014,176	983,494	30,682
Public services	6,561,512	6,573,366	6,222,481	350,885
Development services	7,320,173	7,369,288	6,914,889	454,399
Capital outlay	2,356,225	403,549	247,705	155,844
Total expenditures	79,236,040	78,756,575	76,111,021	2,645,554
Excess (deficiency) of revenues over (under) expenditures	(2,154,330)	(1,674,865)	6,545,092	8,219,957
OTHER FINANCING SOURCES (USES)				
Transfers in	3,918,477	3,918,477	4,417,491	499,014
Transfers out	(6,467,080)	(8,580,905)	(8,580,905)	-
Total other financing sources (uses)	(2,548,603)	(4,662,428)	(4,163,414)	499,014
NET CHANGE IN FUND BALANCES	(4,702,933)	(6,337,293)	2,381,678	8,718,971
FUND BALANCES - beginning of year	37,906,452	37,906,452	37,906,452	-
FUND BALANCES - end of year	$ 33,203,519	$ 31,569,159	$ 40,288,130	$ 8,718,971

The notes to the financial statements are an integral part of this statement.

CITY OF LEWISVILLE, TEXAS **EXHIBIT 8**
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2017

	Enterprise Funds Water and Sewer Utility Fund	Internal Service Funds
ASSETS		
Current assets		
Cash	$ 3,381,202	$ 1,899,796
Investments	22,461,824	10,168,479
Receivables (net of allowance for uncollectibles):		
Accounts	1,456,319	20,639
Unbilled trade accounts	3,409,174	-
Interest receivable	63,346	26,233
Other	4,983	-
Due from other funds	14,258	-
Inventory of supplies, at cost	-	122,406
Prepaid items	25,634	203,218
Restricted assets		
Cash	5,673,908	-
Investments	37,912,455	-
Interest receivable	75,009	-
Total current assets	74,478,112	12,440,771
Noncurrent assets		
Capital assets		
Land	2,502,137	-
Land improvements	106,700	-
Buildings	1,983,821	-
Other improvements	702,088	440,026
Water system	196,646,128	-
Sewer system	136,960,580	-
Machinery and equipment	4,846,417	6,376,701
Motor vehicles	385,448	22,442,568
Construction in progress	6,034,397	-
Less accumulated depreciation	(108,750,959)	(24,152,057)
Total noncurrent assets	241,416,757	5,107,238
Total assets	315,894,869	17,548,009
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	648,340	-
Payments after measurement date	807,528	-
Recognition of current year assets	936,745	-
Total deferred outflows of resources	2,392,613	-
LIABILITIES		
Current liabilities		
Current liabilities payable from restricted assets		
Accounts payable	228,173	-
Deposits payable	1,748,041	-
Accrued interest payable	230,714	-
Contracts and retainage payable	203,207	-
Escrow payable	127,833	-
Current maturities of bonds payable	6,090,000	-
Accounts payable	2,466,311	153,394
Incurred but not reported claim reserve	-	1,608,864
Accrued liabilities	290,525	33,032
Compensated absences	417,672	61,370
Due to other funds	19,807	-
Total current liabilities	11,822,283	1,856,660
Noncurrent liabilities		
Bonds payable	47,107,670	-
Compensated absences	346,672	50,938
Net pension obligation	4,930,472	-
Total noncurrent liabilities	52,384,814	50,938
Total liabilities	64,207,097	1,907,598
DEFERRED INFLOWS OF RESOURCES		
Recognition of current year liabilities	293,183	-
Total deferred inflows of resources	293,183	-
NET POSITION		
Net investment in capital assets	222,703,569	5,107,238
Restricted for bond requirements	7,316,115	-
Unrestricted	23,767,518	10,533,173
Total net position	$ 253,787,202	$ 15,640,411

The notes to the financial statements are an integral part of this statement.

CITY OF LEWISVILLE, TEXAS **EXHIBIT 9**
RECONCILIATION OF ENTERPRISE FUND STATEMENT OF NET POSITION
TO THE GOVERNMENT WIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2017

Total net position, enterprise fund	$ 253,787,202
Amounts reported for business-type activities in the statement of net position are different because:	
An internal service fund is used by management to charge the costs of certain activities, including insurance and vehicle fleet management, to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the government-wide statement of net position. The amount shown as the accumulated amount is allocated to business type activities since the adoption of GASB 34.	(133,392)
Total net position, business-type activities	$ 253,653,810

The notes to the financial statements are an integral part of this statement.

CITY OF LEWISVILLE, TEXAS **EXHIBIT 10**
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Enterprise Funds Water and Sewer Utility Fund	Internal Service Funds
OPERATING REVENUES		
Charges for sales and services	$ 30,566,320	$ 15,545,579
Miscellaneous	48,451	50,131
Total operating revenues	30,614,771	15,595,710
OPERATING EXPENSES		
Cost of sales and services, net of reimbursements	11,935,303	11,918,551
Personal services and administrative	7,378,262	1,367,276
Depreciation	6,828,318	1,917,608
Total operating expenses	26,141,883	15,203,435
Operating income	4,472,888	392,275
NONOPERATING REVENUES (EXPENSES)		
Investment earnings	464,858	101,197
Interest expense	(1,682,467)	-
Gain on disposal of capital assets	-	312,695
Total nonoperating revenues (expenses)	(1,217,609)	413,892
INCOME BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	3,255,279	806,167
TRANSFERS AND CAPITAL CONTRIBUTIONS		
Transfers in	-	200,000
Transfers out	(3,927,402)	-
Contributions from developers	3,163,688	-
Contributions - impact fees	2,428,404	-
CHANGE IN NET POSITION	4,919,969	1,006,167
NET POSITION, beginning of year	248,867,233	14,634,244
NET POSITION, end of year	$ 253,787,202	$ 15,640,411

The notes to the financial statements are an integral part of this statement.

CITY OF LEWISVILLE, TEXAS **EXHIBIT 11**
RECONCILIATION OF ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND
NET POSITION TO THE GOVERNMENT WIDE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

Net change in fund net position, enterprise fund	$ 4,919,969
Amounts reported for business-type activities in the statement of activities are different because:	
Internal services funds are used by management to charge the costs of certain activities, such as the purchase of equipment and insurance, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities. The amount shown represents the net revenue (expense) allocated to business-type activities.	96,429
Change in net position, business-type activities	$ 5,016,398

The notes to the financial statements are an integral part of this statement.

CITY OF LEWISVILLE, TEXAS **EXHIBIT 12**
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$ 30,393,140	$ -
Cash received (paid) from transactions with other funds	19,807	15,582,985
Cash paid to employees for services	(7,348,543)	(615,913)
Cash paid for goods and services	(11,131,204)	(5,066,882)
Cash paid for claims	-	(7,952,811)
Cash received for miscellaneous items	-	4,634
Net cash provided by operating activities	11,933,200	1,952,013
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers to (from) other funds	(3,927,402)	200,000
Net cash provided by (used in) noncapital financing activities	(3,927,402)	200,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(8,995,309)	(718,218)
Proceeds from sale of equipment	-	234,948
Proceeds from sale of revenue bonds	11,025,000	-
Principal paid on revenue bond maturities	(5,105,000)	-
Principal refunded on revenue bonds	(5,280,000)	-
Impact fees	2,428,403	-
Interest paid	(1,974,560)	-
Premium on issuance of bonds	664,284	-
Discount on issuance of bonds	22,949	-
Net cash (used in) capital and related financing activities	(7,214,233)	(483,270)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(42,044,696)	(7,081,337)
Proceeds from sale and maturities of investments	38,737,721	5,241,129
Interest received	436,752	230,287
Net cash provided by (used in) investing activities	(2,870,223)	(1,609,921)
NET INCREASE (DECREASE) IN CASH	(2,078,658)	58,822
CASH, beginning of year	11,133,768	1,840,974
CASH, end of year	$ 9,055,110	$ 1,899,796
Classified as		
Unrestricted cash and cash equivalents at end of year	$ 3,381,202	$ 1,899,796
Restricted cash and cash equivalents at end of year	5,673,908	-
TOTAL CASH AT END OF YEAR	$ 9,055,110	$ 1,899,796
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	$ 4,472,888	$ 392,275
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation	6,828,318	1,917,608
Change in assets and liabilities		
(Increase) decrease in receivables	(221,632)	(8,090)
(Increase) decrease in inventory	-	(7,420)
(Increase) decrease in prepaid expenses	(17,271)	1,590
(Increase) decrease in pension related deferred outlfows	289,811	-
Increase (decrease) in accounts and contracts payable	442,356	(360,232)
Increase (decrease) in accrued liabilities	31,385	16,282
Increase (decrease) in deposits payable	101,233	-
Increase (decrease) in compensated absences	29,719	-
Increase (decrease) in net pension obligations	(96,073)	-
Increase (decrease) in due to other funds	19,807	-
Increase (decrease) in pension related deferred inflows	52,659	-
Total adjustments	7,460,312	1,559,738
Net cash provided by operating activities	$ 11,933,200	$ 1,952,013
NON CASH INVESTING AND FINANCING ACTIVITIES		
From developer contributions of capital assets	$ 3,163,688	$ -
Increase (decrease) in fair value of investments	(103,091)	(18,914)

The notes to the financial statements are an integral part of this statement.

CITY OF LEWISVILLE, TEXAS **EXHIBIT 13**
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2017

	Lewisville OPEB Liability Trust Fund	Castle Hills PID Debt Service Agency Fund
ASSETS		
Cash	$ 18,155	$ -
Investments		
Mutual funds - equity	3,103,714	-
Mutual funds - fixed income	1,400,021	1,317,247
Total investments	4,503,735	1,317,247
Interest receivable	18	196
Total assets	4,521,908	1,317,443
LIABILITIES		
Accounts payable	6,029	-
Due to debt holders	-	1,317,443
Total liabilities	6,029	1,317,443
NET POSITION		
Restricted for post employment benefits other than pensions	4,515,879	
Total net position	$ 4,515,879	

The notes to the financial statements are an integral part of this statement.

CITY OF LEWISVILLE, TEXAS **EXHIBIT 14**
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Lewisville OPEB Liability Trust Fund
ADDITIONS	
Employer contributions	$ 200,300
Investment earnings, net of unrealized/realized gain(loss)	515,346
Less investment expense	(35,186)
Total additions	680,460
DEDUCTIONS	
Benefits	284,600
Total deductions	284,600
CHANGE IN NET POSITION	395,860
NET POSITION - beginning	4,120,019
NET POSITION - ending	$ 4,515,879

The notes to the financial statements are an integral part of this statement.

CITY OF LEWISVILLE, TEXAS
DISCRETELY PRESENTED COMPONENT UNITS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2017

EXHIBIT 15

	Lewisville Housing Finance Corporation	Lewisville Industrial Development Corporation	Tax Increment Reinvestment Zone 1	Tax Increment Reinvestment Zone 2	Lewisville Park & Library Development Corporation	Total Component Units
ASSETS						
Cash	$ 630	$ 906	$ 223,470	$ 51,273	$ 1,812,160	$ 2,088,439
Investments	4,214	6,049	1,493,203	342,606	12,108,658	13,954,730
Receivables (net of allowance for uncollectibles)						
Taxes	-	-	-	-	1,260,127	1,260,127
Interest	10	14	3,468	784	27,359	31,635
Prepaid items	-	-	-	-	221	221
Capital assets						
Non-depreciable	-	-	42,694	-	-	42,694
Depreciable (net of accumulated depreciation)	-	-	6,153,931	-	-	6,153,931
Total assets	4,854	6,969	7,916,766	394,663	15,208,525	23,531,777
DEFERRED OUTFLOWS OF RESOURCES						
Pension contributions after meaurement date	-	-	-	-	140,794	140,794
Difference in projected and actual earnings on pension assets	-	-	-	-	126,479	126,479
Total deferred outflows of resources	-	-	-	-	267,273	267,273
LIABILITIES						
Accounts payable	-	-	38,490	-	146,497	184,987
Accrued liabilities	-	-	-	-	60,632	60,632
Accrued interest payable	-	-	36,906	-	123,540	160,446
Contracts and retainable payable	-	-	-	-	300	300
Noncurrent liabilities						
Due within one year	-	-	350,000	-	1,941,908	2,291,908
Due in more than one year	-	-	5,555,000	-	21,562,784	27,117,784
Total liabilities	-	-	5,980,396	-	23,835,661	29,816,057
DEFERRED INFLOWS OF RESOURCES						
Difference in projected and actual pension experience	-	-	-	-	41,235	41,235
Total deferred inflows of resources	-	-	-	-	41,235	41,235
NET POSITION (DEFICIT)						
Net investment in capital assets	-	-	293,559	-	-	293,559
Restricted for tax increment reinvestment zone	-	-	1,642,811	394,663	-	2,037,474
Unrestricted	4,854	6,969	-	-	(8,401,098)	(8,389,275)
Total net position (deficit)	$ 4,854	$ 6,969	$ 1,936,370	$ 394,663	$ (8,401,098)	$ (6,058,242)

The notes to the financial statements are an integral part of this statement.

CITY OF LEWISVILLE, TEXAS **EXHIBIT 16**
DISCRETELY PRESENTED COMPONENT UNITS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Governmental Activities					
	Lewisville Housing Finance Corporation	Lewisville Industrial Development Authority, Inc.	Tax Increment Reinvestment Zone #1	Tax Increment Reinvestment Zone #2	Lewisville Parks and Library Development Corporation	Total Component Units
EXPENSES						
General government	$ -	$ -	$ 338,153	$ -	$ 82,834	$ 420,987
Culture, parks and recreation	-	-	69,390	1,000,000	3,394,138	4,463,528
Interest on long term debt	-	-	308,302	-	1,062,652	1,370,954
Total expenses	-	-	715,845	1,000,000	4,539,624	6,255,469
PROGRAM REVENUES						
Charges for services						
Culture, parks and recreation	-	-	-	-	208,304	208,304
Total program revenues	-	-	-	-	208,304	208,304
GENERAL REVENUES						
Property taxes	-	-	776,138	562,022	-	1,338,160
Sales taxes	-	-	-	-	7,420,153	7,420,153
Investment earnings	32	48	13,090	1,239	91,601	106,010
Total general revenues	32	48	789,228	563,261	7,511,754	8,864,323
CHANGE IN NET POSITION (DEFICIT)	32	48	73,383	(436,739)	3,180,434	2,817,158
Net position (deficit), beginning	4,822	6,921	1,862,987	831,402	(11,581,532)	(8,875,400)
Net position (deficit), ending	$ 4,854	$ 6,969	$ 1,936,370	$ 394,663	$ (8,401,098)	$ (6,058,242)

LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Reporting Entity

The City of Lewisville is a municipal corporation governed by an elected mayor and a five-member council. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Discretely presented component units are reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that they are legally separate from the government.

Blended Component Units

- The Lewisville Health Benefit Trust was established by the City under the Texas Political Subdivision Employees Uniform Group Benefits Act (Chapter 172 Texas Local Government Code) to account for health insurance of employees, retirees and dependents. The City Council appoints a board, and board members are removable by the City Council. The City Council approves the trust's annual budget. The activities of the Lewisville Health Benefit Trust are accounted for as a blended component unit and included with the internal service funds. The Health Benefit Trust is reported as a blended component unit since it provides services exclusively for the City of Lewisville.

- The Local Government Corporation was established July 2006 to assist in economic development initiatives. Allowable under Chapter 431 of the Texas Transportation Code, this corporation cannot incur any debt without City Council approval. The City Council appoints a board, and board members are removable by the City Council. The existing four person board is comprised of current City Council members. The City Council approves the corporation's annual budget. In the event of dissolution, title to all assets transfer to the City. The activities of the Lewisville Local Government Corporation are accounted for as a blended component unit and included with the non-major governmental funds. The Local Government Corporation is reported as a blended component unit since its governing body is substantially the same as the City's, and a financial benefit relationship exists.

- In November 2011, the City of Lewisville voters approved, in special election, the creation of the Lewisville Crime Control and Prevention District. The District was formed for the purpose of providing crime control and prevention programs derived from one-eighth cent sales tax within the City of Lewisville. Allowable under Chapter 363 of the Texas Local Government Code, the City Council appointed their own membership as the board of directors of the District. The City Council approves the district's annual budget. In the event of dissolution, title to all assets transfer to the City. The activities of the Lewisville Crime Control and Prevention District are accounted for as a blended component unit and included with the non-major governmental funds. The District is reported as a blended component unit since its governing body is the same as the City's, and a financial benefit relationship exists.

- In November 2011, the City of Lewisville voters approved, in special election, the creation of the Lewisville Fire Control, Prevention, and Emergency Medical Services District. The District was formed for the purpose of providing fire safety and emergency medical service programs derived from one-eighth cent sales tax within the City of Lewisville. Allowable under Chapter 344 of the Texas Local Government Code, the City Council appointed their own membership as the board of directors of the District. The City Council approves the district's annual budget. In the event of dissolution, title to all assets transfer to the City. The activities of the Lewisville Fire Control, Prevention, and Emergency Medical Services District are accounted for as a blended component unit and included with the non-major governmental funds. The District is reported as a blended component unit since its governing body is the same as the City's, and a financial benefit relationship exists.

Discretely Presented Component Units

The following entities are accounted for as discretely presented component units since the services provided are not entirely or exclusively for the City.

- The Lewisville Housing Finance Corporation has been established to assist in evaluating housing needs within the City. The City Council appoints a board, and board members are removable by City Council. The City Council approves the Corporation's annual budget. In the event of dissolution, title to all assets transfer to the City. Financial statement information can be obtained by contacting the Lewisville Housing Finance Corporation, P.O. Box 299002, Lewisville, Texas 75029.

- The Lewisville Industrial Development Authority, Inc. has been established to assist in evaluating and considering approval of applications for financial participation by the Authority in commercial development projects. The City Council appoints a board, and board members are removable by City Council. The City Council approves the Authority's annual budget. In the event of dissolution, title to all assets transfer to the City. Financial statement information can be obtained by contacting the Lewisville Industrial Development Authority, P.O. Box 299002, Lewisville, Texas 75029.

- The City of Lewisville, in conjunction with Denton County, created the Tax Increment Reinvestment Zone Number 1, City of Lewisville, Texas, to provide additional financing resources to further enhance the redevelopment of the Old Town area of the City. The City Council appoints a board, and board members are removable by the City Council. The City Council approves the Zone's annual budget. In the event of dissolution, title of all assets transfer to the City. Financial statement information can be obtained by contacting the Lewisville Tax Increment Reinvestment Zone Number 1, P. O. Box 299002, Lewisville, Texas 75029.

- The City of Lewisville, in conjunction with Denton County, created the Tax Increment Reinvestment Zone Number 2, City of Lewisville, Texas, to provide additional financing resources to pay for infrastructure costs to facilitate a mixed-use development project on approximately 427 acres at the intersection of I-35 and SH121. The City Council appoints five

members of the board, and an additional two positions are reserved for appointment by other taxing units levying taxes within the Zone. The City Council may remove board members and approves the Zone's annual budget. Financial statement information can be obtained by contacting the Lewisville Tax Increment Reinvestment Zone Number 2, P. O. Box 299002, Lewisville, Texas 75029.

- In September 2002, the City of Lewisville voters approved, in a special election, the creation of the Lewisville Parks and Library Development Corporation. The Corporation was formed for the purpose of funding public parks, recreation projects, and library projects from revenues derived from a one-quarter cent sales tax within the City of Lewisville. The City Council appoints a board, and board members are removable by the City Council. The City Council approves the Corporation's annual budget. In the event of dissolution, title of all assets transfer to the City. Financial statement information can be obtained by contacting the Lewisville Parks and Library Development Corporation, P. O. Box 299002, Lewisville, Texas 75029.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a

liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund – The City's Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation and certificates of obligation debt of governmental funds.

Castle Hills PID Capital Projects Fund – The City's Castle Hills PID Capital Projects Fund accounts for the acquisition and construction of major capital facilities financed by the Castle Hills Public Improvement District.

General Capital Projects Fund – The General Capital Projects Fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

The City reports the following non-major governmental funds:

Special Revenue Funds – The City's Special Revenue Funds are used to account for revenue sources that are legally restricted to expenditures for specified purposes. They include the Hotel/Motel Tax Fund, Recreation Activity Fund, Public, Education and Government (PEG) Programming Fund, Municipal Court Technology Fund, Municipal Court Security Fund, Juvenile Case Manager Fund, Law Enforcement Officer Standard Education Fund (LEOSE), Waters Ridge Public Improvement District (PID) Fund, Asset Forfeiture-State Fund, Asset

Forfeiture-Dept of Justice Fund, Josey Lane PID Administrative Fund, Asset Forfeiture-Dpt of Treasury Fund, Administrative Benevolent Fund, Community Activities and Training Fund, Grants Fund, Lewisville Crime Control and Prevention District, Lewisville Fire Control, Prevention, and Emergency Medical Services District, and Lewisville Local Government Corporation.

The City reports the following major proprietary fund:

Water and Sewer Utility Enterprise Fund – The City's Enterprise Fund is used to account for operations of the City's sale of treated water and the disposal of sewage and solid waste for its citizens.

Additionally, the government reports the following fund types:

Internal Service Funds – The City's Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments within the City.

- *Maintenance and Replacement Fund* – The City's Maintenance and Replacement Fund provides fleet maintenance services for City departments and accounts for the purchase of vehicles and major equipment operated by the City. Departments pay semi-annual charges to provide funds for future replacement of capital outlay, as well as to reimburse the fund for current fleet repairs and maintenance.

- *Self-Insurance Risk Fund* – The City's Self-Insurance Risk Fund accounts for revenues from premium charges to the departments. Expenses include claim payments, administrative costs, and reinsurance premiums for workers' compensation, unemployment, and liability/property casualty programs.

- *Health Benefit Trust Fund* – The City's Health Benefit Fund accounts for revenues from premium charges to the departments, employee and retirees for insurance coverage. Expenses include claims payments, administrative costs, and reinsurance premiums for health and dental programs.

Agency and Trust Funds – The City's agency fund is custodial in nature and does not involve measurement of results of operations. The City's trust fund is used to account for assets held by the City in a trustee capacity.

- *Castle Hills PID Debt Service Agency Fund* – The City's Castle Hills Public Improvement District Debt Service Agency Fund accounts for bond proceeds and related debt associated with the issuance of bonds held by the City as an agent for the Public Improvement District.

- *Lewisville OPEB Liability Trust Fund* – The City's OPEB Liability Trust Fund accounts for the funding of post-employment healthcare benefits for retirees of the City and their dependents.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer function and various other functions of the City and charges of the internal service funds to the water and sewer funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Fund and of the City's Internal Service Funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for Enterprise Funds and Internal Service Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Cash, Investments, and Deposits

The government's cash is considered to be cash on hand and demand deposits. The City pools idle cash from all funds for the purpose of increasing income through coordinated investment activities. The City follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Interest earnings are allocated to the respective funds based upon each fund's relative balance in the pool.

Investments, except for the investment pools and U.S. Government Money Market Funds, for the City are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost. In accordance with GASB 72, *Fair Value Measurement and Application* Money Market Funds are exempt from fair value measurement.

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" or "interfund receivable/payable."

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

F. Property Taxes

Property taxes attach as an enforceable lien on property located in the City as of January 1. Taxes are levied on October 1 and are due and payable on or before January 31 of the following year. The Denton County Tax Assessor/Collector's office bills and collects the City's property taxes. City property tax revenues are deferred when levied and are recognized as revenue when collected.

The statutes of the State of Texas do not prescribe a legal limit. However, Article XI, Section 5 of the Texas Constitution, applicable to cities of more than 5,000 population that have adopted a Home Rule charter, limits the ad valorem tax rate to $2.50 per $100 assessed valuation. For the fiscal year ended September 30, 2017, the City had a tax margin of $2.063914 per $100 assessed valuation based upon the maximum rates described above.

G. Inventories of Supplies

Inventories of supplies are valued at weighted average cost and consist of warehouse supplies, postage and gasoline purchased by the City to use in its vehicles. The cost of the inventories is recorded as an expense when consumed rather than when purchased.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid per the consumption method in the government-wide and fund financial statements. These items consist primarily of software support, training registration, subscriptions, and prepaid insurance.

I. Restricted Assets

Certain proceeds of Enterprise Fund Revenue Bonds and other amounts designated for capital improvements, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants.

J. Property, Plant, and Equipment

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of $15,000 or more and an estimated useful life in excess of one year. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are recorded at acquisition cost at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense capitalized by the City during the current fiscal year was $208,570.

The City has established the Maintenance and Replacement Internal Service Fund to account for all City-owned vehicles. Charges for use of the vehicle in the form of lease payments are made by the City departments to the Maintenance and Replacement Internal Service Fund to provide for future acquisitions and replacement.

Property, plant, and equipment of the City, is depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Water and sewer system	50
Infrastructure	30
Buildings	33
Other improvements	4-50
Machinery and equipment	3-50
Vehicles	2-20
Servers	3

K. Compensated Absences

It is the City's policy to permit employees to accumulate certain earned but unused vacation, comp time, and sick pay benefits. Sick leave can be accrued up to 1,600 hours for employees working a 40 hour week and 2,400 hours for sworn fire personnel working an average of 56 hours a week. The City will compensate only for hours in excess of 360 hours up to a maximum of 1,080 hours upon termination. All vacation pay is accrued when incurred in the government-wide, proprietary,

and component unit fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured.

L. Long-Term Obligations

In the government-wide financial statements and proprietary fund statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method, which approximates the effective interest rate method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the reporting period in which they are incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums and discounts received on debt issuances are reported as other financing sources or uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. Pensions

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS), and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's Total Pension Liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*.

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category.

- Deferred charge on refunding – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five year period.

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category.

- Difference in expected and actual pension experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

The City has a final item which arises only at the governmental fund level. Revenues that have been billed but not yet collected or notes receivable from a component unit that are not yet due are reported as unavailable resources. These amounts are deferred and recognized as inflow of resources in the period that the amounts become available. Please see Note 13 for a listing of deferred inflows.

O. Fund Equity

In the fund financial statements, governmental funds establish fund balance classifications that are comprised of a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported.

Fund balances classified as non-spendable represent amounts that are not in a spendable form (such as inventory). Fund balances classified as restricted are balances with constraints placed on the use of resources by creditors, grantors, contributors, or laws and regulations of other governments. Fund balances classified as committed can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance. Assigned fund balances are constrained by the intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by the City Manager or his designee. Unassigned fund balance is available for any purpose but is only reported in the General Fund.

For the classification of Governmental Fund balances, the City considers an expenditure to be made from the most restrictive first when more than one classification is available.

For further details of the various fund balance classifications refer to Note 15.

P. Minimum Fund Balance Policy

The City Council has adopted a policy that the General Fund will maintain working capital resources at a minimum of 20% of operating expenditure budget.

Q. Budgets

Budgets are adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted for the General, Hotel/Motel Tax Special Revenue, Recreation Activity Special Revenue, Grant Special Revenue, Waters Ridge Public Improvement District (PID) Special Revenue, Municipal Court Security Special Revenue, Municipal Court Technology Special Revenue, Asset Forfeiture-State Special Revenue, Asset Forfeiture-Dept of Justice Special Revenue, Josey Lane PID Administrative Special Revenue, Community Activities and Training Special Revenue, Law Enforcement Officer Standards and Education Special Revenue, Juvenile Case Manager Special Revenue, Lewisville Crime Control and Prevention District, Lewisville Fire Control, Prevention, and Emergency Medical Services District, Public, Education, and Government (PEG) Programming Fund, Debt Service, Water and Sewer Utility Enterprise, Self-Insurance Risk Internal Service, Health Benefits Trust Internal Service, Maintenance and Replacement Internal Service, Lewisville Parks and Library Development Corporation (4B Sales Tax), Lewisville OPEB Liability Trust, Old Town Tax Increment Reinvestment Zone 1 (Old Town), and Tax Increment Reinvestment Zone 2 Funds.

All annual appropriations lapse at fiscal year-end. Long range financial plans are adopted for all capital project funds with all capital project appropriation balances to roll forward.

The legal level of budgetary control is at the fund level. The Hotel/Motel Tax Special Revenue Fund had expenditures in excess of appropriations as a result of amortization of prepaid lease.

R. Deficit Net Position/Fund Balance

The Lewisville Parks and Library Development Corporation has an agreement with the City of Lewisville regarding the construction, maintenance and operation of improvements for public park and library projects that states all capital assets shall be owned and operated by the City. Therefore, all of the Corporation's capital assets are transferred to the City annually and recorded as contribution expense. The cumulative effects of these annual transfers along with results of operations have resulted in a deficit net position balance of $8,401,098 at September 30, 2017.

The Grants Fund has a deficit fund balance of $1,268,648 at September 30, 2017. During fiscal year 2017, the City budgeted funds from FEMA for a Flood Mitigation Assistance grant project. The purpose of the program is to implement and sustain cost-effective measures that minimize or negate the risk of flood damage to residential or non-residential properties insured under the National Flood Insurance Program (NFIP). Funding was transferred to a construction-in-progress fund per City

guidelines in order to carry out the purpose of the grant; however, actual grant proceeds were not received or recognized in fiscal year 2017.

2. CASH, INVESTMENTS, AND DEPOSITS

At year end, the government's carrying amount of deposits was $30,198,019 and the bank balance was $30,259,420. All bank balances, including the bank balance of the discretely presented component units, were covered by Federal Depository Insurance or by collateral held by a third-party custodian. The custodian serves contractually as the City's agent.

Additionally, the City has an account under a safekeeping agreement with J.P. Morgan Chase Bank, NA. The U.S. Government Treasury and Agency investments clear via the Federal Reserve System through this account upon purchase, sale, or maturity. All assets in the account are held in the City's name.

The City is authorized to make direct investments in the following:

1. U.S. Treasury securities maturing in less than three years;
2. Short-term obligations of U.S. Government agencies, which are guaranteed by the full faith and credit of the United States of America as to principal and interest;
3. Repurchase agreements collateralized by U.S. Treasury or U.S. Government agency securities in accordance with a master repurchase agreement approved by the Investment Committee;
4. Direct or unconditionally guaranteed obligations of the State of Texas; and
5. Common trusts administered by Texas banks with assets consisting of all of the above except certificates of deposit.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application* provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

The City has recurring fair value measurements as presented in the table below. The City's investment balances and weighted average maturity of such investments (excluding the OPEB Liability Trust) are as follows:

		Fair Value Measurements Using				
	September 30, 2017	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Percent of Total Investments	Weighted Average Maturity (Days)
Investments not Subject to Fair Value:						
Investment Pools:						
Texpool	$ 19,028,621	$ -	$ -	$ -	8.80%	34
US Govt Money Markets	16,709,470	-	-	-	7.73%	NA
Investments by Fair Value Level:						
U.S. Government Agency Securities:						
Federal Farm Credit Bank	46,411,067	-	46,411,067	-	21.46%	509
Federal Home Loan Bank	26,411,420	-	26,411,420	-	12.21%	402
Federal Home Loan Mortgage Corp	53,097,380	-	53,097,380	-	24.55%	532
Federal National Mortgage Assoc	53,693,859	-	53,693,859	-	24.82%	645
US Treasury Bonds	938,621	938,621	-	-	0.43%	61
Total Value	**$ 216,290,438**	**$ 938,621**	**$ 179,613,726**	**$ -**		

Investment Pools are measured at amortized cost and are exempt for fair value reporting.

U.S. Government Agency Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

U.S. Treasury Bonds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

Investments at September 30, 2017 consisted of U.S. Government securities held by the City's agent in the City's name. The carrying amount of these investments at September 30, 2017 was $197,261,817. At September 30, 2017, the City also had $19,028,621 invested with TexPool, an investment pool for state and local governments in Texas. The City's portfolio average yield, including TexPool, was 0.9882% in 2017.

The State Comptroller of Public Accounts exercises oversight responsibilities over TexPool, the Texas Local Government Investment Pool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure. Finally, TexPool is rated AAAm by Standard & Poors. As a requirement to maintain the weekly rating portfolio, information must be submitted to Standard & Poors, as well as the office of the Comptroller of Public Accounts for review.

TexPool operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than market value to report net position to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TxPool shares.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment or a deposit. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investments with TexPool have maturities of less than one year or in U.S. government securities that are not highly sensitive to changes in interest rates. In accordance with its investment policy, the City further manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than one and one-half years.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization (NRSROs). All investment pools policies require a rating of AA or better from a nationally recognized rating agency. While State law allows investments in commercial paper and corporate bonds that meet rating guidelines issued by NRSROs, the City's policy further restricts investments purchases, aside from those managed by pools, to obligations of the United States or its agencies and instrumentalities; direct obligations of the State of Texas or its agencies and instrumentalities; and other obligations, the principal of and interest on which are unconditionally guaranteed or insured by, or backed by, the full faith and credit of the State of Texas or the United States or its agencies and instrumentalities. The City's investments in U.S. Government Agency securities (Federal Home Loan Bank, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, and Federal Farm Credit Bank) are rated AA+ by Standard & Poors, and AAA and Aaa by Fitch and Moody's, respectively. The investment in Texas Local Government Pools (TexPool) carried a credit rating of AAAm by Standard and Poor's as of September 30, 2017.

Concentration of Credit Risk

In accordance with the City's investment policy, investments are issued or explicitly guaranteed by the U.S. Government or in external investment pools, which are not considered to provide a concentration of credit risk.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Public Funds Investment Act of Texas and the City's investment policy requires that a financial institution secure deposits made by state or local government entities by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The market value of the pledged securities in the collateral pool must equal at least the bank balances less FDIC insurance at all times. The City's investment policy further limits exposure to custodial risk on investments through the use of third party safekeeping agreements, delivery versus payment, and limiting types of investments listed earlier in this note.

3. RECEIVABLES

Receivables as of year end, including the applicable allowances for uncollectable accounts, are as follows:

	General	Debt Service	Castle Hills PID Capital Project	General Capital Projects	Other Governmental Funds	Total Governmental Funds
Receivables						
Property taxes	$ 450,753	$ 169,555	$ -	$ -	$ -	$ 620,308
Franchise taxes	1,785,403	-	-	-	-	1,785,403
Sales taxes	5,040,509	-	-	-	1,192,426	6,232,935
Mixed drink taxes	108,468	-	-	-	-	108,468
Accounts	2,141,888	21,125	-	-	318,858	2,481,871
Unbilled trade accounts	299,345	-	-	-	-	299,345
Interest	73,007	4,689	4,625	189,559	27,562	299,442
Court	1,208,513	-	-	-	-	1,208,513
Intergovernmental	-	-	-	593,146	895,370	1,488,516
Ambulance	2,213,385	-	-	-	-	2,213,385
Gross receivables	13,321,271	195,369	4,625	782,705	2,434,216	16,738,186
Less: allowance	(2,514,339)	(101,002)	-	-	(351)	(2,615,692)
Net total receivables	$ 10,806,932	$ 94,367	$ 4,625	$ 782,705	$ 2,433,865	$ 14,122,494

	Water and Sewer	Internal Service	Total Proprietary Funds	Total All Funds
Receivables				
Property taxes	$ -	$ -	$ -	$ 620,308
Franchise taxes	-	-	-	1,785,403
Sales taxes	-	-	-	6,232,935
Mixed drink taxes	-	-	-	108,468
Accounts	1,603,008	20,639	1,623,647	4,105,518
Unbilled trade accounts	3,409,174	-	3,409,174	3,708,519
Interest	138,355	26,233	164,588	464,030
Court	-	-	-	1,208,513
Intergovernmental	-	-	-	1,488,516
Ambulance	-	-	-	2,213,385
Gross receivables	5,150,537	46,872	5,197,409	21,935,595
Less: allowance	(141,706)	-	(141,706)	(2,757,398)
Net total receivables	$ 5,008,831	$ 46,872	$ 5,055,703	$ 19,178,197

4. INTERFUND TRANSACTIONS

Interfund transactions and balances for the fiscal year 2017 were as follows:

Due to/from other funds

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Nonmajor Governmental	$ 311,517	Short-term funding of deficit cash
General Fund	Enterprise	19,807	Franchise Fee and PILOT Adjustment
General Fund	Nonmajor Govermental	180,740	Reclass TIFMAS Expenditures
Capital Projects	Nonmajor Governmental	1,299,077	Reclassify grant funding
Nonmajor Governmental	General Fund	2,008	Reclass Hurricane Harvey Expenses
Enterprise	General Fund	14,258	AR Allowance Adjustment Reclass
		$ 1,827,407	

Interfund Transfers

Transfers In	Transfers Out	Amount	Purpose
General	Water & Sewer Utility	$ 3,927,402	Payments in lieu of taxes, franchise tax, and indirect cost payment
General	General Capital Projects	396,576	Excess funds transfer
General	Nonmajor Governmental	93,513	Indirect cost payment
General Capital Projects	General Fund	8,258,726	Financing of capital improvements
General Capital Projects	Nonmajor Governmental	7,019,020	Financing of capital improvements
Nonmajor Governmental	General Fund	122,179	Matching funds and indirect cost payments
Nonmajor Governmental	Nonmajor Governmental	173	Excess funds consolidation
Internal Service Funds	General Fund	200,000	Indirect cost payment
		$ 20,017,589	

5. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Governmental Funds					
Capital assets, not being depreciated:					
Land	$ 56,462,513	$ 677,531	$ -	$ 3,444,548	$ 60,584,592
Construction in progress	24,771,210	28,072,834	-	(34,650,964)	18,193,080
Total capital assets, not being depreciated	81,233,723	28,750,365	-	(31,206,416)	78,777,672
Capital assets, being depreciated:					
Land improvements	345,533,710	860,879	(5,716,507)	26,749,423	367,427,505
Buildings	77,537,773	-	-	785,175	78,322,948
Other improvements	31,068,896	28,800	-	708,706	31,806,402
Machinery and equipment	39,396,865	800,395	(2,233,498)	2,963,112	40,926,874
Total capital assets being depreciated	493,537,244	1,690,074	(7,950,005)	31,206,416	518,483,729
Accumulated depreciation:					
Land improvements	(123,241,701)	(12,014,268)	5,716,507	-	(129,539,462)
Buildings	(31,623,081)	(2,315,650)	-	-	(33,938,731)
Other improvements	(17,219,544)	(2,644,613)	-	-	(19,864,157)
Machinery and equipment	(26,555,478)	(1,814,522)	2,233,498	-	(26,136,502)
Total accumulated depreciation	(198,639,804)	(18,789,053)	7,950,005	-	(209,478,852)
Total capital assets being depreciated, net	294,897,440	(17,098,979)	-	31,206,416	309,004,877
Total governmental funds capital assets, net	376,131,163	11,651,386	-	-	387,782,549
Internal service funds					
Capital assets, being depreciated:					
Other improvements	310,936	129,090	-	-	440,026
Machinery and equipment	29,557,905	589,127	(1,327,763)	-	28,819,269
Total internal service assets being depreciated	29,868,841	718,217	(1,327,763)	-	29,259,295
Accumulated depreciation:					
Other improvements	(181,721)	(30,247)	-	-	(211,968)
Machinery and equipment	(23,329,149)	(1,887,361)	1,276,421	-	(23,940,089)
Total accumulated depreciation	(23,510,870)	(1,917,608)	1,276,421	-	(24,152,057)
Total internal services funds capital assets, net	6,357,971	(1,199,391)	(51,342)	-	5,107,238
Governmental activities capital assets, net	$ 382,489,134	$ 10,451,995	$ (51,342)	$ -	$ 392,889,787

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 2,368,892	$ -	$ -	$ 133,245	$ 2,502,137
Construction in progress	11,174,230	10,844,298	-	(15,984,131)	6,034,397
Total capital assets, not being depreciated	13,543,122	10,844,298	-	(15,850,886)	8,536,534
Capital assets, being depreciated:					
Land improvements	106,700	-	-	-	106,700
Buildings	1,131,504	-	-	852,317	1,983,821
Other improvements	702,088	-	-	-	702,088
Water system	184,231,678	528,746	-	11,885,704	196,646,128
Sewer system	133,566,401	309,039	-	3,085,140	136,960,580
Machinery and equipment	4,779,146	476,914	(51,920)	27,725	5,231,865
Total capital assets being depreciated	324,517,517	1,314,699	(51,920)	15,850,886	341,631,182
Accumulated depreciation:					
Land improvements	(87,868)	(2,379)	-	-	(90,247)
Buildings	(500,462)	(41,514)	-	-	(541,976)
Other improvements	(366,167)	(47,097)	-	-	(413,264)
Water system	(53,372,457)	(3,811,731)	-	-	(57,184,188)
Sewer system	(43,445,140)	(2,718,998)	-	-	(46,164,138)
Machinery and equipment	(4,202,467)	(206,599)	51,920	-	(4,357,146)
Total accumulated depreciation	(101,974,561)	(6,828,318)	51,920	-	(108,750,959)
Business-type activities capital assets, net					
Total capital assets being depreciated, net	222,542,956	(5,513,619)	-	15,850,886	232,880,223
Total capital assets, net	$ 236,086,078	$ 5,330,679	$ -	$ -	$ 241,416,757

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	$ 4,939,444
Finance	81,412
Community relations/tourism	114,352
Human resources	13,030
Municipal court	12,477
Information technology	332,752
Police	707,390
Fire	435,077
Public services	8,431,384
Parks and recreation	3,459,740
Development services	261,995
Internal service funds	1,917,608
Total depreciation expense - governmental activities	$ 20,706,661
Business-type activities:	
Water and sewer	$ 6,828,318

Outstanding commitments at September 30, 2017 under authorized construction contracts were approximately $11.7 million. These outstanding commitments are to be financed by available cash and investment balances, which include proceeds from previous bond issuances.

6. EMPLOYEE RETIREMENT PLAN

Plan Description

The City participates as one of 872 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained by writing to TMRS, P.O. Box 149153, Austin, TX 78714-9153 or by calling 800-924-8677. In addition, the report is available on TMRS' website at www.TMRS.com.

All eligible employees of the city are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven actuarially equivalent payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits, also known as the matching ratio, are 200% of the employee's accumulated contributions and are only payable in the form of an annuity.

In addition, the City granted on annually repeating (automatic) basis a monetary credit referred to as an updated service credit (USC) which is a theoretical amount, which takes into account salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest at 5% until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity.

The City elected to increase the annuities (annuity increases) of its retirees, either annually or on an annually repeating basis, effective January 1 of a calendar year. The City has adopted annuity increases at the rate of 70% of the increase (if any) in the Consumer Price Index—all Urban Consumers (CPI-U) between the December preceding the member's retirement date and the December one year before the effective date of the increase, minus any previously granted increases.

A summary of plan provisions for the City are as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility	20 years at any age, 5 years at age 60 and above
Updated Service Credit	75% Repeating
Annuity Increase to retirees	70% of CPI Repeating

The City does not participate in Social Security.

At the December 31, 2016 valuation and measurement date, the following employees were covered by the benefit terms:

Retirees or beneficiaries currently receiving benefits	363
Inactive employees entitled to but not yet receiving benefits	300
Active employees	743
	1,406

Contributions

Under the state law governing TMRS, the contribution rate for each city is determined annually by the consulting actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of Lewisville were required to contribute 7% of their annual gross earnings during the fiscal year. For fiscal year 2017, the City made contributions of 16.27% for the months in 2016 and 16.55% for the months in 2017 which were the actuarially required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2016, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

The Total Pension Liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both male and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2016, valuation were based on the results of actuarial experience studies. This experience study was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2016 valuation. After the Asset Allocation Study analysis and experience investigation study, the TMRS Board of Trustees amended the long-term expected rate of return on pension plan investments from 7% to 6.75% effective January 1, 2016.

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Board. Plan assets are managed on a total return basis with an emphasis on both capital appreciation and the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, the actuary focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). At its meeting on July 30, 2015, the TMRS Board approved a new portfolio target allocation. The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.55%
International Equity	17.5%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.65%
Real Return	10.0%	4.03%
Real Estate	10.0%	5.00%
Absolute Return	10.0%	4.00%
Private Equity	5.0%	8.00%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will remain at the current 7% and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2015	$ 264,919,721	$ 216,842,185	$ 48,077,536
Changes for the year			
Service cost	8,246,818	-	8,246,818
Interest	17,846,679	-	17,846,679
Change in benefit terms	-	-	-
Difference between expected and actual experience	(1,500,726)	-	(1,500,726)
Changes in assumptions	-	-	-
Contributions-employer	-	7,814,541	(7,814,541)
Contributions-employee	-	3,362,127	(3,362,127)
Net investment income	-	14,660,373	(14,660,373)
Benefit payments, including refunds of employee contributions	(9,295,778)	(9,295,778)	-
Administrative expense	-	(165,505)	165,505
Other changes	-	(8,918)	8,918
Net changes	15,296,993	16,366,840	(1,069,847)
Balance at 12/31/2016	$ 280,216,714	$ 233,209,025	$ 47,007,689

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
Primary Government	$86,695,366	$46,572,813	$12,964,179
Component Unit	$1,652,098	$434,876	$247,050

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2017, the City recognized pension expense of $10,623,841 related to the Primary Government. For the same period, the City recognized pension expense of $168,982 related to a component unit, Lewisville Parks and Library Development Corporation (LPLDC).

At September 30, 2017, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Primary Government		LPLDC	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions after measurement date	$ 8,851,647	$ -	$ 140,794	$ -
Difference in expected and actual pension experience	-	3,076,756	-	41,235
Changes in actuarial assumptions used to determine pension liability	-	-	-	-
Difference in projected and actual earnings on pension assets	9,671,712	-	126,479	-
Total	$ 18,523,359	$ 3,076,756	$ 267,273	$ 41,235

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of $8,992,441 will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2017 (i.e. recognized in the city's financial statements September 30, 2018). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Year Ended Dec 31	
2017	$ 2,523,877
2018	2,523,875
2019	2,155,943
2020	(360,314)
2021	(163,181)
Total	$ 6,680,200

7. COMMITMENTS AND CONTINGENCIES

Water Contract

The City purchases all of its raw water from the City of Dallas. The raw water rate for this contract during the fiscal year was $0.9120 per 1,000 gallons. The City of Dallas reserves the right and power during the term of this contract to set reasonable revised rates from time to time.

Legal

The City is a party to various lawsuits. Although the outcome of these lawsuits is presently not determinable, it is the opinion of the City's attorney that the resolution of these matters will not have a materially adverse effect on the financial condition of the City.

Grant Audit

The City receives federal and state grants for specific purposes that are subject to review and audit by federal and state agencies. Such audits could result in a request for reimbursement by the federal and state agencies for expenditures disallowed under the terms and conditions of the appropriate agreement. In the opinion of City management, such disallowances, if any, will not be significant to the City's financial position.

8. OTHER POST EMPLOYMENT BENEFITS

The City provides $15,000 in life insurance upon retirement for employees with ten years of service with the City of Lewisville. Prior to October 1, 2013, the City purchased fully paid life insurance policies upon retirement for eligible employees. Beginning October 1, 2013, the City began purchasing life insurance through the City's group life insurance vendor. Premiums are now paid monthly for the coverage at a rate of $1.35 per $1,000 of coverage or $20.25 per month. The City had 74 eligible retirees in fiscal year 2016-17 resulting in an annual expenditure of $15,228.

Lewisville OPEB Liability Trust Fund

Plan Description—Plan Administration, Benefits Provided, Contributions, and Membership
The City established an irrevocable trust in 2008 for the systematic funding of postemployment health benefits (OPEB) as a single-employer, defined benefit plan. Plan assets may be used only for the payment or reimbursement of benefits provided to retirees, in accordance with the terms of the plan. The City Manager is the benefit administrator of the plan.

The City provides comprehensive group medical benefits for employees at retirement who meet the eligibility requirements for postretirement benefits. Eligibility requirements are (1) age 60 and 5 years of service with the City, or (2) 20 years of service with Texas Municipal Retirement System, the City's pension provider. Election must be made at time of retirement to remain in the plan. Continuation of coverage is subject to the payment of required contributions by participating retirees and dependents. The City contributes a fixed amount toward each retiree's monthly premium, based on the tenure with the City. The City's substantive plan places a zero percent (0%) cap on future contribution increases. The employee remains on the plan until age 65 when they are moved to a fully insured Medicare supplement plan. The City contributes a flat $50 per month toward the retiree's fully insured premium.

Management of the trust is vested with the City's Investment Committee, which consists of the Director of Finance, Fiscal Services Manager, an Assistant City Manager, and three other members designated by the City Manager.

At September 30, 2017, plan membership consisted of the following:

Inactive plan members (retirees) and beneficiaries currently receiving benefit payments	44
Active plan members	667

Investments—Investment Policy and Directive
The City has established an investment policy and directive for the OPEB plan assets. The policy may be amended by the City Council by a majority vote at any time. The directive is more detailed and may be amended by the City Manager at any time. The directive's stated objective is to achieve long-term growth of trust assets by maximizing long-term rates of return on investments and minimizing risk of loss to fulfill the City's current and long-term OPEB obligations. An investment strategy is pursued that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following is the adopted asset allocation table as of September 30, 2017:

Asset Class	Range Allocation	Target Allocation
Growth Assets		
Domestic Equity	19-59%	39%
International Equity	1-41%	21%
Other (ex. Real Estate)	0-20%	0%
Income Assets		
Fixed Income	20-60%	40%
Other	0-20%	0%
Real Return Assets	0-20%	0%
Cash Equivalents	0-20%	0%
		100%

Investments—Rate of Return
For the year ended September 30, 2017, the annual money-weighted rate of return on investments, net of investment expense, was 12.35 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the City
The components of the net OPEB liability of the City at September 30, 2017, were as follows:

Total OPEB liability	$	4,587,050
Plan fiduciary net position		4,125,487
City's net OPEB liability	$	461,563
Plan fiduciary net position as a percentage of the total OPEB liability		89.94%

Actuarial Assumptions
The total OPEB liability was determined by an actuarial valuation as of October 1, 2016, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation & Salary Increases	Not applicable as the City's future costs are set at a fixed amounts
Investment Rate of Return	7.0 percent, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	None assumed since the benefits provided are not subject to medical inflation

Mortality rates were based on the RP-2014 Total Dataset Mortality Table projected with Scale MP-2016.

The actuarial assumptions used in the October 1, 2016 valuation were based on the results of actual plan experience in recent years, as applicable.

The long-term expected rate of return on OPEB plan investments was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of returns by the target asset allocation percentage and by adding expected inflation.

Asset Class	Long-Term Expected Real Rate of Return
Growth Assets	
Domestic Equity	5.2%
International Equity	5.2%
Income Assets	
Fixed Income	3.8%

Discount Rate

The discount rate used to measure the total OPEB liability was 7%. The projection of cash flows used to determine the discount rate assumed that City future contributions will be made at rates equal to 60% of the annual benefit payments expected to be paid from the trust. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current discount rate:

	1% Decrease (6%)	Discount Rate (7%)	1% Increase (8%)
Net OPEB liability (asset)	$976,751	$461,563	$33,042

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates would not be applicable to the City's plan since the contribution amounts are set at a fixed rate and, therefore, not affected by healthcare cost increases.

The Lewisville OPEB Liability Trust Fund does not issue a separate financial report. Additional information can be found in the Required Supplement Information (RSI) and Financial (Fiduciary statements) Sections of this report.

9. COMPONENTS OF RESTRICTED ASSETS

Restricted assets reported in the Enterprise Funds statement of net position at September 30, 2017 are comprised of the following:

Deposits	$ 1,748,041
Money held in escrow	127,833
Revenue bond current debt service accounts	4,029,500
Revenue bond future debt service accounts	3,517,329
Revenue bond construction accounts	34,245,047
Total	$43,661,372

The related liabilities payable from restricted assets at September 30, 2017 are as follows:

Deposits payable	$1,748,041
Escrow payable	127,833
Accrued interest payable	230,714
Accounts, contracts, and retainage payable	431,380
Current maturities of bonds payable	6,090,000
Total	$8,627,968

The ordinance authorizing the Waterworks and Sewer System Revenue Bonds requires that the City establish a sinking fund (recorded in the revenue bond current debt service accounts) in an amount not less than the amount required to fully pay principal and interest payments as they come due. In addition, the ordinance requires that the City establish a reserve fund (recorded in the revenue bond future debt service accounts) to provide for payment of principal and interest in the event that other funds available for such purposes are insufficient. At September 30, 2017, the balances in both the sinking and reserve funds are sufficient to satisfy such bond ordinance requirements.

The ordinance further requires that the proceeds from the sale of the Revenue Bonds be expended for making improvements and extensions to the City's combined waterworks and sanitary sewer system. The proceeds are maintained in the revenue bond and capital projects construction accounts until such time as needed to fund the construction program.

The amount of net position restricted for revenue bond retirements is detailed as follows:

Revenue bond current debt service accounts	$4,029,500
Revenue bond future debt service accounts	3,517,329
	7,546,829
Less:	
Accrued interest payable	230,714
Restricted for revenue bond retirement	$7,316,115

10. DEFERRED COMPENSATION PLAN

The City offers its employees a choice between two deferred compensation plans (the Plan) created in accordance with Internal Revenue Code Section 457. One plan is administered and investments managed by Nationwide Retirement Solutions (NRS) while another plan is administered by AIG Valic. The assets and liabilities amounted to $37,273,791 for Nationwide and $45,754,969 for AIG Valic at September 30, 2017. The plans include numerous types of investments as participants elect how their salary deferrals are invested. Investment options include the following: fixed annuities, variable annuities, and life insurance.

The Plan is available to all City employees and permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency.

All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are held in trust for the exclusive benefit of the participants and their beneficiaries.

It is the opinion of the City's management that the City has no liability for those losses under the Plan but does have the duty of due care that would be required of an ordinary prudent investor. The City provides limited administrative duties.

In accordance with GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, the deferred compensation plans are not included in the financial statements of the City.

11. LONG TERM LIABILITIES

General Obligation Bonds and Tax Notes

General Obligation Bonds and Tax Notes are direct obligations and pledge the full faith and credit of the City. Bonds generally are issued as 16-year serial bonds, except for refunding issues, with

level debt service requirements each year. General Obligation Bonds and Tax Notes outstanding as of September 30, 2017 are as follows:

Purpose	Interest Rates	Governmental Activities Amount	Business-Type Activities Amount
General Government	1.50% - 5.00%	$ 88,950,000	$ 1,265,000

General Obligation Bonds are authorized by a referendum election prior to issuance. The City's last election that authorized the issuance of these bonds was held on November 3, 2015. The authorized and remaining balances as of September 30, 2017 are as follows:

Purpose	Date Authorized	Amount Authorized	Unissued Balance
Streets	11/3/2015	$ 71,600,000	$ 59,815,000
Parks & Recreation	11/3/2015	39,900,000	37,005,000
Police & Fire	11/3/2015	10,500,000	5,600,000
Aquatic Center	11/3/2015	13,000,000	11,500,000
Total		$ 135,000,000	$ 113,920,000

Certificates of Obligation

Certificates of Obligation are direct obligations of the City, payable from a combination of ad valorem taxes and a limited pledge of surplus revenues of the City's waterworks and sewer system. Certificates of Obligation outstanding as of September 30, 2017 are as follows:

Purpose	Interest Rates	Governmental Activities Amount
Parks and Library Improvements	4.00% - 5.00%	$ 1,465,000

Annual debt service requirements to maturity for Government Activities General Obligation Bonds, Tax Notes and Certificates of Obligation, including interest of $21,775,809 are as follows:

Year Ended September 30	Governmental Activities Bonds Principal	Interest	Total
2018	$ 10,510,000	$ 3,768,655	$ 14,278,655
2019	9,515,000	3,090,213	12,605,213
2020	9,375,000	2,700,531	12,075,531
2021	7,915,000	2,338,807	10,253,807
2022	7,610,000	2,017,775	9,627,775
2023-2027	28,955,000	6,137,428	35,092,428
2028-2032	15,235,000	1,696,400	16,931,400
2033	1,300,000	26,000	1,326,000
	$ 90,415,000	$ 21,775,809	$ 112,190,809

During the year, the City issued $14,365,000 of General Obligation Bonds for the purpose of designing and constructing improvements to the City's streets, sidewalks, bridges and other public ways and storm drainage, and including acquiring, constructing and installing related public art; designing, constructing, reconstructing, improving, renovating, expanding public safety facilities, including fire station facilities emergency services facilities and police administrative facilities, including the acquisition of land.

Revenue Bonds

The City also issues bonds where the City pledges income derived from acquired or constructed assets to pay debt service. Revenue Bonds outstanding, at September 30, 2017, are as follows:

Purpose	Interest Rates	Amount
Water supply and waste water treatment	1.50% - 5.00%	$48,130,000
Less-Current maturities payable from restricted assets		5,465,000
		$42,665,000

Annual debt service requirements to maturity, for Business-type Activities Revenue Bonds and General Obligation Bonds, including interest of $10,968,587 are as follows:

Year Ended September 30	Business Type Activities Bonds Principal	Interest	Total
2018	$ 6,090,000	$ 1,739,186	$ 7,829,186
2019	5,010,000	1,562,742	6,572,742
2020	4,110,000	1,414,041	5,524,041
2021	4,265,000	1,267,691	5,532,691
2022	4,100,000	1,115,778	5,215,778
2023-2027	17,130,000	3,150,400	20,280,400
2028-2032	8,230,000	711,619	8,941,619
2033	460,000	7,130	467,130
	$49,395,000	$10,968,587	$60,363,587

There are a number of limitations and restrictions contained in the various bond indentures. As of September 30, 2017, the City was in compliance with all limitations and restrictions.

During the year, the City issued $11,025,000 of Waterworks and Sewer System Revenue Refunding and Improvement Bonds for the purposes of refunding a portion of the City's outstanding Waterworks and Sewer System debt and constructing, acquiring, and installing improvements, additions, and extensions to the system. As a result of the refunding, the City decreased its aggregate debt service payment to maturity by $194,181 and realized an economic gain (difference between the present value of debt service payment on the old debt and the new debt) of $171,332.

In the current year, the City defeased certain revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the City's financial statements. At September 30, 2017, $3,820,000 of outstanding general obligation bonds and $9,480,000 of revenue bonds are considered defeased.

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2017 was as follows:

	Beginning Balance	Additions	Reductions	Reclassifications	Ending Balance	Due Within One Year
Governmental activities:						
Bonds and notes payable and Certificates of obligation	$ 87,185,000	$ 14,365,000	$ (11,135,000)	$ -	$ 90,415,000	$ 10,510,000
Premium	7,456,815	1,234,559	(699,300)	-	7,992,074	-
Compensated absences	8,188,498	6,128,575	(5,625,753)	-	8,691,320	5,556,345
Net pension obligation	42,599,365	-	(957,024)	-	41,642,341	-
Governmental activity long-term liabilities	$ 145,429,678	$ 21,728,134	$ (18,417,077)	$ -	$ 148,740,735	$ 16,066,345
Business type activities:						
Bonds payable	$ 48,755,000	$ 11,025,000	$ (10,385,000)	$ -	49,395,000	$ 6,090,000
Premium	3,197,562	928,792	(264,508)	-	3,861,846	-
Discount	(82,124)	-	22,949	-	(59,175)	-
Compensated absences	734,625	571,709	(541,991)	-	764,343	417,672
Net pension obligation	5,026,545	-	(96,073)	-	4,930,472	-
Business type activity: long-term liabilities	$ 57,631,608	$ 12,525,501	$ (11,264,623)	$ -	$ 58,892,486	$ 6,507,672

In general, the General fund has been used in prior years to liquidate other long-term liabilities for the governmental activities of the City.

Component Unit Bonded Indebtedness

On September 14, 2002 voters approved the imposition of an additional sales and use tax of one-quarter of one (0.25%) percent for parks and library purposes. The tax became effective on January 1, 2003 and collections began in March 2003. The sales tax is collected solely for the benefit of the Lewisville Parks and Library Development Corporation ("LPLDC" a non-profit corporation) established by the City to administer sales tax collections and projects.

Proceeds of Certificates of Obligation issued in 2004 were utilized to finance the construction of park facilities and library improvements for LPLDC. Certificates of Obligation issued in 2007 for the LPLDC and the Tax Increment Reinvestment Zone Number 1 (TIRZ, also known as Old Town) component units were utilized for constructing an athletic complex, an arts activity center, parking lot and related improvements. A portion of the proceeds of the 2016 Tax Notes were issued for LPLDC for construction and acquisition of park and recreation facilities and improvements.

Note Payable to Primary Government / Note Receivable from Component Unit

The Lewisville Park and Library Development Corporation ("LPLDC") has entered into agreements to reimburse the City for annual debt service costs associated with the Series 2004 and Series 2007A Combination Tax and Revenue Certificates of Obligation, a portion of the Series 2016 Tax Notes, as well as costs associated with defeasing said bonds. The Tax Increment Reinvestment Zone ("TIRZ") has entered into agreements to reimburse the City for annual debt service costs associated with the Series 2007B Combination Tax and Revenue Certificates of

Obligation, as well as costs associated with defeasing said bonds. The outstanding obligations as of September 30, 2017, have been recorded as a non-current liability of the LPLDC and TIRZ in the amount of $23,020,000 and $5,905,000 respectively, and as a non-current asset of the governmental activities in the statement of net position.

Annual debt service requirements on the aforementioned debt are as follows:

Year Ended September 30	LPLDC - Note Payable		
	Principal	Interest	Total
2018	$ 1,910,000	$ 946,394	$ 2,856,394
2019	1,995,000	860,669	2,855,669
2020	2,090,000	770,944	2,860,944
2021	2,180,000	680,318	2,860,318
2022	2,270,000	588,943	2,858,943
2023-2027	7,350,000	1,724,941	9,074,941
2028-2032	5,225,000	597,250	5,822,250
	$ 23,020,000	$ 6,169,459	$ 29,189,459

Year Ended September 30	TIRZ - Note Payable		
	Principal	Interest	Total
2018	$ 350,000	$ 286,500	$ 636,500
2019	400,000	267,750	667,750
2020	460,000	246,250	706,250
2021	470,000	223,000	693,000
2022	520,000	198,250	718,250
2023-2027	3,705,000	503,125	4,208,125
	$ 5,905,000	$ 1,724,875	$ 7,629,875

A summary of changes in discretely presented component unit long-term debt follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
LPLDC activities:					
Notes payable:					
Notes payable to Primary Government	$ 24,945,000	$ -	$ (1,925,000)	$ 23,020,000	$1,910,000
Compensated absences	47,603	72,653	(70,440)	49,816	31,908
Net pension obligation	451,626	-	(16,750)	434,876	-
LPLDC activites total:	25,444,229	72,653	(2,012,190)	23,504,692	1,941,908
TIRZ activities:					
Notes payable:					
Notes payable to Primary Government	6,235,000	-	(330,000)	5,905,000	350,000
TIRZ activities total:	6,235,000	-	(330,000)	5,905,000	350,000
Component unit long-term liabilities	$ 31,679,229	$ 72,653	$ (2,342,190)	$ 29,409,692	$2,291,908

Bonded Indebtedness of Which the City Has No Liability

In addition to the outstanding General Obligation Bonds of the City and the Water and Sewer System Revenue Bonds, all of which are included in the financial statements of the City, the City is the Issuer of the following Public Improvement Bond issues:

City of Lewisville, Texas Combination Contract Contract Revenue and Special Assessment Bonds Issuances			Amount
Series 1998	Refunding and Capital Improvement Bonds	District No. 1 Project	$ 19,000,000
Series 2008	Capital Improvement Bonds	District No. 4 Project	20,000,000
Series 2011	Refunding and Utility System Bonds	District No. 3 Project	2,840,000
Series 2011	Utility System Bonds	District No. 4 Project	2,965,000
Series 2011	Road System Bonds	District No. 4 Project	5,355,000
Series 2013	Refunding Bonds	District No. 2 Project	14,300,000
Series 2014	Utility System Bonds	District No. 5 Project	3,255,000
Series 2014	Road System Bonds	District No. 5 Project	4,495,000
Series 2014	Utility System Bonds	District No. 7 Project	1,360,000
Series 2014	Road System Bonds	District No. 7 Project	1,405,000
Series 2014	Utility System Bonds	District No. 4 Project	3,680,000
Series 2014	Utility System Bonds	District No. 6 Project	7,310,000
Series 2014	Road System Bonds	District No. 6 Project	1,200,000
Series 2015	Refunding Bonds	District No. 1 Project	4,580,000
Series 2015	Refunding Bonds	District No. 2 Project	8,490,000
Series 2015	Refunding Bonds	District No. 3 Project	19,535,000
Series 2015	Utility System Bonds	District No. 5 Project	10,950,000
Series 2016	Road System Bonds	District No. 7 Project	3,145,000
Series 2016	Utility System Bonds	District No. 7 Project	1,690,000
Series 2017	Refunding Bonds	District No. 4 Project	13,350,000
Series 2017	Road System Bonds	District No. 6 Project	15,310,000

These issues, are not direct obligations of the City of Lewisville, but rather, are revenue bonds issued for the Castle Hills Public Improvement District located in the City's extraterritorial jurisdiction.

For all issues pertaining to Districts 1-3, the principal and interest payment on the bonds is from ad valorem taxes (contract revenues, billed and collected by the Denton County Fresh Water District). For issues pertaining to District 4, no more than 90% of the principal and interest payment on the bonds is from ad valorem taxes (contract revenues) and no less than 10% is payable from special assessment revenues and subject to special mandatory redemption prior to maturity. For the remaining issues pertaining to Districts 5 through 7, no more than 99% of the principal and interest payment on the bonds is from ad valorem taxes (contract revenues) and no less than 1% is payable from special assessment revenues and subject to special mandatory redemption prior to maturity.

In the event contract revenues were ever insufficient to pay principal and interest, the City would levy and collect special assessments from property owners in the public improvement district.

At September 30, 2017, City of Lewisville, Texas Contract Revenue and Special Assessment Improvement Bonds outstanding aggregated was $131,885,000.

12. RISK MANAGEMENT

The City established a limited risk management program for workers' compensation and healthcare coverage in 1988. Beginning September 1, 1990, liability and property and casualty risk funding was established within the Self-Insurance Risk Internal Service Fund. Life, accidental death and dismemberment and long-term disability coverage are fully insured but accounted for within the fund. Premiums are transferred into the Self-Insurance Risk Internal Service Fund from all other operating funds and are available to pay claims, claim reserves, reinsurance excess coverage premiums, and any other premiums or administrative costs associated with the programs. During FY 2016-17, a total of $1,108,506 was paid in life insurance and long-term disability premiums, reinsurance premiums, and administrative costs for workers' compensation, liability, and property/casualty claims. Workers' compensation liabilities include the reserve for unpaid claims and a calculated reserve for incurred but not reported claims. The workers' compensation reinsurance provided excess coverage of $500,000 per occurrence for all positions. Settled claims have not exceeded this commercial coverage in any of the past several years. In July 1999, the property and casualty and liability insurance coverages were moved to a deductible program. Each line of coverage has a deductible per occurrence ranging from $500-$50,000.

During FY 2001-02, the City established a Health Benefit Trust under Chapter 172 of the Texas Local Government Code. Since the establishment of the Trust, premiums for healthcare have been transferred into the Trust from all other operating funds and are available to pay claims, claim reserves, reinsurance excess coverage premiums, and the administrative costs of the medical/dental plan. For the plan year beginning October 1, 2016, the healthcare reinsurance provided excess coverage (beyond $175,000 per occurrence) and an annual aggregate stop loss of approximately $9,693,157 per plan year limit. The healthcare liabilities include the reserve for unpaid claims and a calculated reserve for incurred but not reported claims. During FY 2016-17, total expenses for claims, reinsurance premiums, and administrative costs for healthcare amounted to $11,080,282.

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are re-evaluated annually by an outside actuary who takes into consideration recently settled claims, the frequency of claims, and other economic and social factors.

Changes in the balances of claims liabilities for the years ended September 30, 2017 and 2016 are as follows:

	2017	2016
Claims payable, beginning of year	$ 1,922,360	$ 1,873,609
Incurred claims	7,639,315	8,927,030
Claims payments	(7,952,811)	(8,878,279)
Claims payable, end of year	$ 1,608,864	$ 1,922,360

13. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Governmental funds report deferred inflows of resources in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned (unearned revenue). At the end of the current fiscal year, the various components of unearned revenue and deferred inflows of resources reported in the governmental funds were as follows:

	General Fund	Debt Service Fund	Castle Hills PID Capital Project	General Capital Projects Fund	Nonmajor Governmental Funds	Total
Deferred inflows of resources:						
Property taxes	$ 182,244	$ 68,553	$ -	$ -	$ -	$ 250,797
Court fines	226,728	-	-	-	-	226,728
Ambulance	1,327,468	-	-	-	-	1,327,468
Intergovernmental	-	-	-	593,146	3,786	596,932
Notes receivable from component unit	-	28,925,000	-	-	-	28,925,000
Other	53,146	-	-	-	46,043	99,189
Total	$ 1,789,586	$ 28,993,553	$ -	$ 593,146	$ 49,829	$ 31,426,114
Unearned revenue:						
Unearned management fee	-	-	-	-	721,446	721,446
Advance construction payment	-	-	-	36,473,854	-	36,473,854
Total	$ -	$ -	$ -	$ 36,473,854	$ 721,446	$ 37,195,300

14. TAX ABATEMENTS

The City enters into economic development agreements authorized under Chapter 380 of the Texas Local Government Code and Chapter 312 of the Texas Tax Code. These agreements are planning tools designed to stimulate economic activity, redevelopment, community improvement, and provide a return on investment for the community. These programs abate or rebate property and/or sales taxes and may include other incentive payments such as fee reductions or construction costs reimbursements. Economic development agreements are considered on a case by case basis by the City Council and generally contain recapture provisions, which may require repayment or termination if recipients do not meet the required provisions of the economic incentives.

Tax Abatement Agreements

Chapter 312 of the Texas Tax Code allows the City to designate tax reinvestment zones and negotiate abatement agreements with applicants. These abatement agreements authorize the appraisal districts to reduce the assessed value of the taxpayer's property by a percentage specified in the agreement, and the taxpayer pays taxes on the lower assessed value during the term of the agreement. Recipients must submit compliance reports annually to continue to qualify for the abatement. Property taxes abated for the fiscal year ending September 30, 2017 totaled $384,278.

Other Economic Agreements

Chapter 380 of the Texas Local Government Code allows the City to provide grants for the purpose of promoting local economic development. These grants are based on a percentage of property and/or sales tax received by the City. For the fiscal year ending September 30, 2017, the City rebated $121,087 in property taxes and $1,300,251 in sales taxes.

15. FUND BALANCE CLASSIFICATIONS

The following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non Spendable Fund Balance
  This represents the portion of fund balance that is not in a spendable form (such as inventory or prepaid items) or is required to be maintained intact pursuant to legal or contractual requirements.

- Restricted Fund Balance
  This represents the portion of fund balance that is subject to externally enforceable legal restrictions. These restrictions are typically imposed by parties outside the government such as grantors, creditors, or other government entities through laws and regulations.

• Committed Fund Balance

This represents the portion of fund balance that is constrained by limitations that the governing body imposed upon itself at the highest level of decision making (City Council) and remains binding unless removed in the same manner. Any changes must take place before the end of the reporting period.

• Assigned Fund Balance

This portion of fund balance reflects the government's intended use of resources. Such intent would have to be established at either the highest level of decision making or by a body (committee) or official designated for that purpose. Amounts in excess of nonspendable, restricted, and committed fund balance in funds other than the General Fund would automatically be assigned here.

• Unassigned Fund Balance

Only the General Fund can have a positive "unassigned" fund balance. This balance represents any residual which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

A schedule of Governmental Fund Balances is provided on the following page.

	GOVERNMENTAL FUNDS					
	General Fund	Debt Service Fund	Castle Hills PID Capital Projects Fund	General Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
FUND BALANCE:						
Non Spendable:						
Prepaid items	$ 263,615	$ -	$ -	$ -	$ 2,493,293	$ 2,756,908
Spendable:						
Restricted for:						
Debt service	-	2,388,199	-	-	-	2,388,199
Capital projects - Streets & Drainage	-	-	-	22,872,870	-	22,872,870
Capital projects - Parks & Recreation	-	-	-	2,877,741	-	2,877,741
Capital projects - Other	-	-	-	1,525,298	-	1,525,298
Hotel/Motel Tax Fund	-	-	-	911,812	5,717,475	6,629,287
Grant Funds	-	-	-	1,299,077	-	1,299,077
Waters Ridge PID Fund	-	-	-	-	269,351	269,351
Municipal Court Security Fund	-	-	-	-	57,197	57,197
Municipal Court Technology Fund	-	-	-	36,671	205,126	241,797
Police Forfeitures Fund (State)	-	-	-	3,748	143,104	146,852
LEOSE Fund	-	-	-	4,922,724	19,305	4,942,029
Police Forfeitures Fund (Federal)	-	-	-	-	346,752	346,752
Juvenile Case Manager Fund	-	-	-	-	169,815	169,815
PEG Programming Fund	-	-	-	-	944,952	944,952
Crime Control & Prenvention District	-	-	-	81,472	2,570,767	2,652,239
Fire Control, Prevention, and Emergency Medical Services District	-	-	-	4,086,631	1,684,531	5,771,162
Josey Lane PID Assessment Fund	-	-	-	-	483,102	483,102
Castle Hills Capital Projects	-	-	16,450,750	-	-	16,450,750
Subtotal - Restricted for:	-	2,388,199	16,450,750	38,618,044	12,611,477	70,068,470
Committed to:						
Capital projects - Streets	-	-	-	3,335,917	-	3,335,917
Capital projects - Parks	-	-	-	1,024,294	-	1,024,294
Capital projects - Landscape & Tree Mitigation	-	-	-	474,683	-	474,683
Recreation Fund	-	-	-	-	377,645	377,645
Employee Benevolent Fund	-	-	-	-	35,063	35,063
Community Activities & Public Safety Training Fund	-	-	-	-	313,687	313,687
Lewisville Local Government Corporation	-	-	-	-	110,261	110,261
Subtotal - Committed to:	-	-	-	4,834,894	836,656	5,671,550
Assigned to:						
Capital projects - Streets & Other	-	-	-	12,865,515	-	12,865,515
Capital projects - Risk Management	-	-	-	837,584	-	837,584
Capital projects - Recreation	-	-	-	567,868	-	567,868
Other	1,054,236	-	-	-	-	1,054,236
Subtotal - Assigned to:	1,054,236	-	-	14,270,967	-	15,325,203
Unassigned:	38,970,279	-	-	-	(1,268,648)	37,701,631
TOTAL FUND BALANCES:	$ 40,288,130	$ 2,388,199	$ 16,450,750	$ 57,723,905	$ 14,672,778	$ 131,523,762

LEWISVILLE

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REQUIRED SUPPLEMENTARY INFORMATION

LEWISVILLE

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CITY OF LEWISVILLE, TEXAS **EXHIBIT A-1**
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
(PREVIOUS YEARS ARE NOT AVAILABLE)
(UNAUDITED)

	Measurement Year 2014	Measurement Year 2015	Measurement Year 2016
Total pension liability			
Service cost	$ 7,057,241	$ 7,706,342	$ 8,246,818
Interest	16,497,518	17,422,312	17,846,679
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(2,478,575)	(1,045,357)	(1,500,726)
Change in assumptions	-	(91,547)	-
Benefit payments, incl. refunds of employee contributions	(8,160,747)	(8,218,045)	(9,295,778)
Net change in total pension liability	12,915,437	15,773,705	15,296,993
Total pension liability - beginning	236,230,579	249,146,016	264,919,721
Total pension liability - ending	249,146,016	264,919,721	280,216,714
Plan fiduciarly net position			
Contributions - employer	7,599,062	7,822,183	7,814,541
Contributions - employee	3,052,739	3,244,700	3,362,127
Net investment income	11,446,366	315,625	14,660,373
Benefit payments, incl. refunds of employee contributions	(8,160,747)	(8,218,045)	(9,295,778)
Administrative expense	(119,494)	(192,227)	(165,505)
Other	(9,824)	(9,494)	(8,918)
Net change in plan fiduciary net position	13,808,102	2,962,742	16,366,840
Plan fiduciary net position - beginning	200,071,341	213,879,443	216,842,185
Plan fiduciary net position - ending	213,879,443	216,842,185	233,209,025
Net pension liability - ending	$ 35,266,573	$ 48,077,536	$ 47,007,689
Plan fiduciary net position as a percentage of total pension liability	85.85%	81.85%	83.22%
Covered employee payroll	$ 43,597,704	$ 46,340,001	$ 48,030,388
Net pension liability as a percentage of covered employee payroll	80.89%	103.75%	97.87%

Note: Measurement year as of December 31
Schedule will expand to include ten years of data per GASB68

CITY OF LEWISVILLE, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

EXHIBIT A-2

Fiscal Year	(1) Actuarially Determined Contribution	(2) Contribution in Relation to the actuarially Determined Contribution	(3) Contribution Excess (Deficiency) (2) - (1)	(4) Covered Employee Payroll	(5) Actuarially Determined Contribution as a Percentage of Covered Employee Payroll (1) / (4)	(6) Contributions as a Percentage of Covered Employee Payroll (2) / (4)
2008	4,871,746	4,871,746	-	36,991,239	13.17%	13.17%
2009	6,816,614	5,409,954	(1,406,660)	38,868,039	17.54%	13.92%
2010	7,903,067	5,997,951	(1,905,116)	39,581,047	19.97%	15.15%
2011	8,535,905	6,813,495	(1,722,410)	41,107,984	20.76%	16.57%
2012	7,838,904	6,811,107	(1,027,797)	40,159,830	19.52%	16.96%
2013	7,552,936	7,459,191	(93,745)	42,175,565	17.91%	17.69%
2014	7,530,047	7,606,524	76,477	43,130,733	17.46%	17.64%
2015	7,589,980	7,589,980	-	44,613,514	17.01%	17.01%
2016	7,769,882	7,761,668	(8,214)	47,287,476	16.43%	16.41%
2017	8,308,327	8,356,635	48,308	50,422,592	16.48%	16.57%

Notes to Schedules:

Valuation date: Actuarial determined contribution rates are calculated as of December 31st each year and become effective in January, 12 months and a day later.

Methods and assumptions used to determine contribution rate for 2017:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	29 years
Asset Valuation Method	10 years smoothed market; 15% soft corridor
Inflation	2.5%
Salary Increases	3.5% to 10.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Assumption differences for fiscal years prior to 2016:

Actuarial Cost Method	Unit credit for fiscal years 2006 and 2007, projected unit credit for fiscal years 2008 to 2013.
Remaining Amortization Period	15 years
Inflation	3.0%
Investment Rate of Return	7.00%
Retirement Age	Prior to fiscal year 2016, experience-based table of rates that were specific to the City's plan of benefits. Previously updated for the 2010 valuation pursuant to an experience study of the period 2005-2009.
Mortality	Prior to fiscal year 2014, Gender Distinct RP2000 Combined Healthy Mortality Table projected to the year 2003 by scale AA.

Other Information:

Fiscal year 2008 and forward actuarial accrued liability adjusted for plan changes adopted effective January 1, 2009.
Fiscal year 2009 and forward actuarial accrued liability adjusted for plan changes adopted effective January 1, 2010.
Fiscal years 2012 and forward includes the impact of Senate Bill 350 enacted by the Texas Legislature in June 2011.
Legislation provided a restructuring of the Texas Municipal Retirement System funds effective December 31, 2010. Previously reported amounts included only Employee Savings Fund and Municipal Accumulation Fund but excluded the City's portion of the Current Service Annuity Fund (CSARF) in which costs for all retirees were shared. The legislation eliminated the CSARF returning both liabilities and assets for retirees to the respective employer accounts.

CITY OF LEWISVILLE, TEXAS **EXHIBIT A-4**
LEWISVILLE OPEB LIABILITY TRUST FUND
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
(PREVIOUS FISCAL YEARS ARE NOT AVAILABLE)

	2017
Total OPEB liability	
Service cost	$ 81,627
Interest	348,492
Changes in benefit terms	-
Differences between expected and actual experience	(602,997)
Change in assumptions	-
Benefit payments	(273,800)
Net change in total OPEB liability	(446,678)
Total OPEB liability - beginning	5,033,728
Total OPEB liability - ending	4,587,050
Plan fiduciarly net position	
Contributions - employer	175,700
Net investment income	366,978
Benefit payments	(273,800)
Administrative expense	-
Other	-
Net change in plan fiduciary net position	268,878
Plan fiduciary net position - beginning	3,856,609
Plan fiduciary net position - ending	4,125,487
Net OPEB liability - ending	$ 461,563
Plan fiduciary net position as a percentage of total OPEB liability	89.94%
Covered employee payroll	$ 50,422,592
Net OPEB liability as a percentage of covered employee payroll	0.92%

Note: Measurement date as of September 30, 2016
Schedule will expand to include ten years of data per GASB74

CITY OF LEWISVILLE, TEXAS **EXHIBIT A-5**
LEWISVILLE OPEB LIABILITY TRUST FUND
SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS
LAST TEN FISCAL YEARS

Fiscal Year	(1) Actuarially Determined Contribution	(2) Contribution in Relation to the actuarially Determined Contribution	(3) Contribution Excess (Deficiency) (2) - (1)	(4) Covered Employee Payroll	(6) Contributions as a Percentage of Covered Employee Payroll (2) / (4)	Investment Returns
2008	N/A	N/A	N/A	N/A	N/A	N/A
2009	482,500	482,500	-	38,868,039	1.24%	5.69%
2010	482,500	482,500	-	39,581,047	1.22%	10.11%
2011	494,600	494,600	-	41,107,984	1.20%	-0.48%
2012	359,300	359,300	-	40,159,830	0.89%	19.15%
2013	366,600	366,600	-	42,175,565	0.87%	12.41%
2014	224,000	224,000	-	43,130,733	0.52%	9.88%
2015	175,700	175,700	-	44,613,514	0.39%	-0.74%
2016	200,300	200,300	-	47,287,476	0.42%	10.30%
2017	138,300	138,300	-	50,422,592	0.27%	12.35%

Notes to Schedules:

Valuation date: Actuarial determined contributions are determined for the plan year that ends in the fiscal year.

Methods and assumptions used to determine contribution for 2017:

Actuarial cost method	Projected unit credit
Amortization method	Level dollar, open
Amortization period	30 Years
Asset valuation method	Market value of assets
Inflation	N/A
Healthcare cost trend rates	N/A
Salary increases	N/A
Investment rate of return	7.00% per year
Mortality table	RP2000 Combined Mortality table, fully generational projection with Scale BB, with male rates set back one year and female rates set forward one year
Retirement age	Rates vary by age from age 50 to 66

Methods and assumptions used to determine contribution for years prior to 2017:

Actuarial cost method	Projected unit credit
Amortization method	Level dollar, open
Amortization period	30 Years
Asset valuation method	Three-year moving average in 2016; market value for years prior to 2016
Inflation	N/A
Healthcare cost trend rates	N/A
Salary increases	N/A
Investment rate of return	7.00% per year in 2016; 7.50% in prior years
Mortality	See other information section below
Retirement age	Rates vary by age

Other Information:

City Council approved the creation of the OPEB Liability Trust on September 8, 2008. Funding and inception of the plan began October 1, 2008.

Prior to 10/1/2010, the substiantive plan provided that the City would increase its contribution amount up to two percent annual For the two years prior to 10/1/2010 there were no increases in the City's annual contribution amount. Effective 10/1/2010, the substantive plan was amended to provide that the City would not increase its contribution in future years.

Prior to 2017, mortality tables used were RP2014, combined mortality, updated/projected for current valuation period; RP2000, combined mortality, updated for valuation period; or RP2000, combined mortality, with no "collar adjustments."

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for, and payment of, general obligation, and certificates of obligation principal, and interest indebtedness for general governmental resources.

CITY OF LEWISVILLE, TEXAS **EXHIBIT B-1**
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual Amounts	(Negative)
REVENUES				
Property and other taxes	$ 10,448,625	$ 10,448,625	$ 10,519,364	$ 70,739
Intergovernmental	3,610,851	3,610,851	3,589,725	(21,126)
Investment earnings	7,810	7,810	25,346	17,536
Miscellaneous	-	-	12,296	12,296
Total revenues	14,067,286	14,067,286	14,146,731	79,445
EXPENDITURES				
Debt service				
Principal	11,135,000	11,135,000	11,135,000	-
Interest and fiscal charges	3,449,275	3,449,275	3,425,426	23,849
Total expenditures	14,584,275	14,584,275	14,560,426	23,849
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(516,989)	(516,989)	(413,695)	103,294
NET CHANGE IN FUND BALANCES	(516,989)	(516,989)	(413,695)	103,294
FUND BALANCES, beginning	2,801,894	2,801,894	2,801,894	-
FUND BALANCES, ending	$ 2,284,905	$ 2,284,905	$ 2,388,199	$ 103,294

LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally or otherwise restricted to expenditures for particular purposes. The City has thirteen Special Revenue Funds as follows:

HOTEL/MOTEL TAX FUND
To account for tax revenue collected as a percentage of gross receipts for all temporary room rentals in all hotel and motel establishments within the City. Funds are expended to promote tourism and culture in the City.

RECREATION ACTIVITY FUND
To account for revenues collected from recreation users for specific events. Funds are expended on costs associated with the specific events' operations.

PEG PROGRAMMING FUND
To account for Public, Education and Government (PEG) programming fees received by cable franchise entities used for capital costs associated with PEG production.

MUNICIPAL COURT TECHNOLOGY FUND
To account for Municipal Court fees assessed to finance the purchase of technological enhancements for Municipal Court.

MUNICIPAL COURT SECURITY FUND
To account for Municipal Court fees assessed to provide for court security.

JUVENILE CASE MANAGER FUND
To account for Municipal Court fees used to fund a portion of the juvenile case manager position.

LAW ENFORCEMENT OFFICER STANDARD AND EDUCATION FUND
To account for grant revenue received from the Comptroller's Office exclusively for the training of police officers. Uses can include materials, classes, registration costs, etc.

WATERS RIDGE PUBLIC IMPROVEMENT DISTRICT (PID) FUND
To account for special revenue for an area-specific purpose. Funds are expended on costs associated with the specified improvements.

ASSET FORFEITURE – STATE FUND
To account for funds received under the Controlled Substances Act of the State of Texas with expenditures restricted to use solely in the investigation of any alleged violations of the criminal laws of the state and donations for the same purpose.

ASSET FORFEITURE – DEPARTMENT OF JUSTICE
To account for federally forfeited cash, property, proceeds, and any interest earned thereon received as part of the Federal Equitable Sharing Agreement between local law enforcement agencies and the Department of Justice for cooperating in investigations with respect to asset forfeiture and money laundering investigations and prosecutions.

JOSEY LANE PID ADMINISTRATIVE FUND
To account for special revenue for an area-specific purpose. Funds are expended on costs associated with the specified improvements.

ASSET FORFEITURE – DEPARTMENT OF TREASURY
To account for federally forfeited cash, property, proceeds, and any interest earned thereon received as part of the Federal Equitable Sharing Agreement between local law enforcement agencies and the Department of Treasury for cooperating in investigations with respect to asset forfeiture and money laundering investigations and prosecutions.

ADMINISTRATIVE BENEVOLENT FUND
To account for funds received from employee concessions with expenditures controlled by employee committee.

COMMUNITY ACTIVITIES AND TRAINING FUND
To account for revenues related to special events, sponsorships, certain naming rights, community contributions, as well as revenues and donations associated with police and fire training.

GRANTS FUND
To account for revenues derived from federal and state granting agencies. The funds are expended for grant-related purposes.

Additionally, three blended component units are included as Non-Major Governmental Funds:

LEWISVILLE CRIME CONTROL AND PREVENTION DISTRICT
To account for one-eighth cent sales tax revenues to fund crime control and prevention programs.

LEWISVILLE FIRE CONTROL, PREVENTION, AND EMERGENCY MEDICAL SERVICES DISTRICT
To account for one-eighth cent sales tax revenues to fund fire safety and emergency medical service programs.

LEWISVILLE LOCAL GOVERNMENT CORPORATION FUND
To account for assistance efforts in economic development initiatives.

CITY OF LEWISVILLE, TEXAS
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2017

	Special Revenue Funds								
	Hotel/Motel Tax Fund	Recreation Activity Fund	PEG Programming Fund	Municipal Court Technology Fund	Municipal Court Security Fund	Juvenile Case Manager Fund	LEOSE Fund	Waters Ridge PID Fund	Asset Forfeiture-State Fund
ASSETS									
Cash	$ 868,183	$ 50,353	$ 114,851	$ 28,211	$ 7,812	$ 23,013	$ 2,509	$ 34,993	$ 51,565
Investments	5,467,004	336,449	767,420	177,410	52,197	153,777	16,758	233,823	111,877
Receivables (net of allowances for uncollectibles)									
Taxes	-	-	-	-	-	-	-	-	-
Accounts	219,316	-	60,926	-	-	-	-	-	252
Interest	14,326	797	1,755	472	115	349	38	535	-
Other	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
Prepaid items	1,277,639	-	-	-	-	-	-	-	-
Total assets	$ 7,846,468	$ 387,599	$ 944,952	$ 206,093	$ 60,124	$ 177,139	$ 19,305	$ 269,351	$ 163,694
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
Liabilities									
Accounts and contracts payable	106,694	8,791	-	967	2,927	-	-	-	20,590
Accrued liabilities	23,214	1,163	-	-	-	2,883	-	-	-
Deposits payable	-	-	-	-	-	-	-	-	-
Unearned revenue	721,446	-	-	-	-	-	-	-	-
Money held in escrow	-	-	-	-	-	4,441	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-
Total liabilities	851,354	9,954	-	967	2,927	7,324	-	-	20,590
Deferred inflows of resources unavailable resources	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	-	-
Fund balances									
Nonspendable	1,277,639	-	-	-	-	-	-	-	-
Restricted for other purposes	5,717,475	-	944,952	205,126	57,197	169,815	19,305	269,351	143,104
Committed to other purposes	-	377,645	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances	6,995,114	377,645	944,952	205,126	57,197	169,815	19,305	269,351	143,104
Total liabilities, deferred inflows of resources, and fund balances	$ 7,846,468	$ 387,599	$ 944,952	$ 206,093	$ 60,124	$ 177,139	$ 19,305	$ 269,351	$ 163,694

Special Revenue Funds										
Asset Forfeiture-Dept of Justice Fund	Josey Lane PID Administrative Fund	Asset Forefeiture-Dept of Treasury	Administrative Benevolent Fund	Community Activities and Training Fund	Grants Fund	Lewisvile Crime Control and Prevention District	Lewisville Fire Control, Prevention, and Emergency Medical Services District	Lewisville Local Government Corporation	Total Nonmajor Governmental Funds
$ 42,616	$ 63,107	$ 2,423	$ 4,571	$ 46,189	$ -	$ 275,891	$ 154,888	$ 14,325	$ 1,785,500
284,757	421,668	16,188	30,542	308,629	-	1,843,476	1,034,946	95,718	11,352,639
-	-	-	-	-	-	597,243	595,184	-	1,192,427
-	-	-	-	40,661	892,370	-	-	-	1,213,525
731	965	37	69	614	-	4,251	2,290	218	27,562
-	-	-	-	351	-	-	-	-	351
-	-	-	-	-	2,008	-	-	-	2,008
-	-	-	-	-	-	-	1,215,654	-	2,493,293
$ 328,104	$ 485,740	$ 18,648	$ 35,182	$ 396,444	$ 894,378	$ 2,720,861	$ 3,002,962	$ 110,261	$ 18,067,305
-	2,638	-	119	9,607	290,630	27,925	68,558	-	539,446
-	-	-	-	8,807	77,276	122,169	34,219	-	269,731
-	-	-	-	18,300	-	-	-	-	18,300
-	-	-	-	-	-	-	-	-	721,446
-	-	-	-	-	-	-	-	-	4,441
-	-	-	-	-	1,791,334	-	-	-	1,791,334
-	2,638	-	119	36,714	2,159,240	150,094	102,777	-	3,344,698
-	-	-	-	46,043	3,786	-	-	-	49,829
-	-	-	-	46,043	3,786	-	-	-	49,829
-	-	-	-	-	-	-	1,215,654	-	2,493,293
328,104	483,102	18,648	-	-	-	2,570,767	1,684,531	-	12,611,477
-	-	-	35,063	313,687	-	-	-	110,261	836,656
-	-	-	-	-	(1,268,648)	-	-	-	(1,268,648)
328,104	483,102	18,648	35,063	313,687	(1,268,648)	2,570,767	2,900,185	110,261	14,672,778
$ 328,104	$ 485,740	$ 18,648	$ 35,182	$ 396,444	$ 894,378	$ 2,720,861	$ 3,002,962	$ 110,261	$ 18,067,305

CITY OF LEWISVILLE, TEXAS
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Special Revenue Funds								
	Hotel/Motel Tax Fund	Recreation Activity Fund	PEG Programming Fund	Municipal Court Technology Fund	Municipal Court Security Fund	Juvenile Case Manager Fund	LEOSE Fund	Waters Ridge PID Fund	Asset Forfeiture-State Fund
REVENUES									
Property and other taxes	$ 2,595,730	$ -	$ 256,189	$ -	$ -	$ -	$ -	$ 15,023	$ -
Intergovernmental	1,500	-	-	-	-	-	12,939	-	26,288
Charges for services	-	1,576	-	-	-	-	-	-	-
Recreation	-	346,418	-	-	-	-	-	-	-
Fines	-	-	-	67,902	50,942	83,915	-	-	-
Investment earnings	48,693	6,457	5,476	1,679	347	1,162	119	1,904	-
Contributions and donations	-	152,473	-	-	-	-	-	-	-
Miscellaneous	-	66	-	-	-	-	-	-	16,669
Total revenues	2,645,923	506,990	261,665	69,581	51,289	85,077	13,058	16,927	42,957
EXPENDITURES									
Current									
General government	1,890,157	-	1,517	-	-	-	-	15,000	-
Culture, parks and recreation	-	342,361	-	-	-	-	-	-	-
Public safety	-	-	-	115,052	20,940	69,790	35	-	6,921
Public & development services	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	1,890,157	342,361	1,517	115,052	20,940	69,790	35	15,000	6,921
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	755,766	164,629	260,148	(45,471)	30,349	15,287	13,023	1,927	36,036
OTHER FINANCING USES									
Transfers in	-	-	-	40,000	-	-	-	-	-
Transfers out	(1,238,050)	(125,716)	-	-	(33,513)	-	-	-	-
Total other financing uses	(1,238,050)	(125,716)	-	40,000	(33,513)	-	-	-	-
NET CHANGES IN FUND BALANCES	(482,284)	38,913	260,148	(5,471)	(3,164)	15,287	13,023	1,927	36,036
FUND BALANCES, beginning	7,477,398	338,732	684,804	210,597	60,361	154,528	6,282	267,424	107,068
FUND BALANCES, ending	$ 6,995,114	$ 377,645	$ 944,952	$ 205,126	$ 57,197	$ 169,815	$ 19,305	$ 269,351	$ 143,104

Special Revenue Funds										
Asset Forfeiture-Dept of Justice Fund	Josey Lane PID Administrative Fund	Asset Forfeiture-Dept of Treasury	Administrative Benevolent Fund	Community Activities and Training Fund	Grants Fund	Lewisville Crime Control and Prevention District	Lewisville Fire Control, Prevention, and Emergency Medical Services District	Lewisville Local Government Corporation	Total Nonmajor Governmental Funds
$ -	$ 517,028	$ -	$ -	$ -	$ -	$ 3,514,535	$ 3,514,317	$ -	$ 10,412,822
194,657	-	18,619	-	69,433	2,099,119	-	-	-	2,422,555
-	-	-	-	-	-	-	-	-	1,576
-	-	-	28	201,073	-	-	-	-	547,519
-	-	-	-	-	-	-	-	-	202,759
2,753	3,411	29	231	3,383	-	15,493	29,560	631	121,328
-	-	-	-	398,103	-	-	-	-	550,576
-	-	-	8,026	-	14,680	-	-	100,545	139,986
197,410	520,439	18,648	8,285	671,992	2,113,799	3,530,028	3,543,877	101,176	14,399,121
-	7,069	-	2,745	-	-	157,347	91,770	-	2,165,605
-	-	-	-	655,677	1,246	-	-	-	999,284
43,918	-	-	-	53,969	668,775	2,540,865	1,241,063	-	4,761,328
-	-	-	-	15,438	1,542,260	222,999	31,149	-	1,811,846
47,938	-	-	-	-	63,534	434,666	35,352	-	581,490
91,856	7,069	-	2,745	725,084	2,275,815	3,355,877	1,399,334	-	10,319,553
105,554	513,370	18,648	5,540	(53,092)	(162,016)	174,151	2,144,543	101,176	4,079,568
-	-	-	-	173	82,179	-	-	-	122,352
-	(30,268)	-	-	-	(1,299,077)	(66,082)	(4,320,000)	-	(7,112,706)
-	(30,268)	-	-	173	(1,216,898)	(66,082)	(4,320,000)	-	(6,990,354)
105,554	483,102	18,648	5,540	(52,919)	(1,378,914)	108,069	(2,175,457)	101,176	(2,910,786)
222,550	-	-	29,523	366,606	110,266	2,462,698	5,075,642	9,085	17,583,564
$ 328,104	$ 483,102	$ 18,648	$ 35,063	$ 313,687	$ (1,268,648)	$ 2,570,767	$ 2,900,185	$ 110,261	$ 14,672,778

CITY OF LEWISVILLE, TEXAS **EXHIBIT C-3**
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Property and other taxes	$ 2,487,288	$ 2,487,288	$ 2,595,730	$ 108,442
Intergovernmental	-	-	1,500	1,500
Investment earnings	20,310	20,310	48,693	28,383
Miscellaneous	2,000,000	2,000,000	-	(2,000,000)
Total revenues	4,507,598	4,507,598	2,645,923	(1,861,675)
EXPENDITURES				
Current				
General government	-	14,966	14,965	1
Community relations/tourism	1,875,144	1,750,534	1,875,192	(124,658)
Total expenditures	1,875,144	1,765,500	1,890,157	(124,657)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,632,454	2,742,098	755,766	(1,986,322)
OTHER FINANCING USES				
Transfers out	(1,014,965)	(1,238,050)	(1,238,050)	-
Total other financing uses	(1,014,965)	(1,238,050)	(1,238,050)	-
NET CHANGE IN FUND BALANCES	1,617,489	1,504,048	(482,284)	(1,986,332)
FUND BALANCES, beginning	7,477,398	7,477,398	7,477,398	-
FUND BALANCES, ending	$ 9,094,887	$ 8,981,446	$ 6,995,114	$ (1,986,332)

CITY OF LEWISVILLE, TEXAS **EXHIBIT C-4**
RECREATION ACTIVITY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Charges for services	$ 1,000	$ 1,000	$ 1,576	$ 576
Recreation	404,220	404,220	346,418	(57,802)
Investment earnings	909	909	6,457	5,548
Contributions and donations	151,200	151,200	152,473	1,273
Miscellaneous	-	-	66	66
Total revenues	557,329	557,329	506,990	(50,339)
EXPENDITURES				
Current				
Culture and recreation				
Parks and leisure services	426,176	410,460	342,361	68,099
Total expenditures	426,176	410,460	342,361	68,099
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	131,153	146,869	164,629	17,760
OTHER FINANCING USES				
Transfers out	(110,000)	(125,716)	(125,716)	-
Total other financing uses	(110,000)	(125,716)	(125,716)	-
NET CHANGE IN FUND BALANCES	21,153	21,153	38,913	17,760
FUND BALANCES, beginning	338,732	338,732	338,732	-
FUND BALANCES, ending	$ 359,885	$ 359,885	$ 377,645	$ 17,760

CITY OF LEWISVILLE, TEXAS
PEG PROGRAMMING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT C-5

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Property and other taxes	$ 396,706	$ 396,706	$ 256,189	$ (140,517)
Investment earnings	1,767	1,767	5,476	3,709
Total revenues	398,473	398,473	261,665	(136,808)
Expenditures				
Current				
General government				
Community relations/tourism	20,000	20,000	1,517	18,483
Capital outlay	80,000	80,000	-	80,000
Total expenditures	100,000	100,000	1,517	98,483
NET CHANGE IN FUND BALANCES	298,473	298,473	260,148	(38,325)
FUND BALANCES, beginning	684,804	684,804	684,804	-
FUND BALANCES, ending	$ 983,277	$ 983,277	$ 944,952	$ (38,325)

CITY OF LEWISVILLE, TEXAS **EXHIBIT C-6**
MUNICIPAL COURT TECHNOLOGY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30,2017

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Fines	$ 83,383	$ 83,383	$ 67,902	$ (15,481)
Investment earnings	890	890	1,679	789
Total revenues	84,273	84,273	69,581	(14,692)
EXPENDITURES				
Current				
Public safety				
Municipal court	136,572	136,572	115,052	21,520
Total expenditures	136,572	136,572	115,052	21,520
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(52,299)	(52,299)	(45,471)	6,828
OTHER FINANCING USES				
Transfers In	40,000	40,000	40,000	-
Total other financing uses	40,000	40,000	40,000	-
NET CHANGE IN FUND BALANCES	(12,299)	(12,299)	(5,471)	6,828
FUND BALANCES, beginning	210,597	210,597	210,597	-
FUND BALANCES, ending	$ 198,298	$ 198,298	$ 205,126	$ 6,828

CITY OF LEWISVILLE, TEXAS **EXHIBIT C-7**
MUNICIPAL COURT SECURITY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Fines	$ 62,538	$ 62,538	$ 50,942	$ (11,596)
Investment earnings	338	338	347	9
Total revenues	62,876	62,876	51,289	(11,587)
EXPENDITURES				
Current				
Public safety				
Municipal court	21,790	31,790	20,940	10,850
Total expenditures	21,790	31,790	20,940	10,850
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	41,086	31,086	30,349	(737)
OTHER FINANCING USES				
Transfers out	(33,513)	(33,513)	(33,513)	-
Total other financing uses	(33,513)	(33,513)	(33,513)	-
NET CHANGE IN FUND BALANCES	7,573	(2,427)	(3,164)	(737)
FUND BALANCES, beginning	60,361	60,361	60,361	-
FUND BALANCES, ending	$ 67,934	$ 57,934	$ 57,197	$ (737)

CITY OF LEWISVILLE, TEXAS **EXHIBIT C-8**
JUVENILE CASE MANAGER SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Fines	$ 102,945	$ 102,945	$ 83,915	$ (19,030)
Investment earnings	556	556	1,162	606
Total revenues	103,501	103,501	85,077	(18,424)
EXPENDITURES				
Current:				
Public safety				
Municipal court	73,955	73,955	69,790	4,165
Total expenditures	73,955	73,955	69,790	4,165
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	29,546	29,546	15,287	(14,259)
NET CHANGE IN FUND BALANCES	29,546	29,546	15,287	(14,259)
FUND BALANCES, beginning	154,528	154,528	154,528	-
FUND BALANCES, ending	$ 184,074	$ 184,074	$ 169,815	$ (14,259)

CITY OF LEWISVILLE, TEXAS **EXHIBIT C-9**
LAW ENFORCEMENT OFFICER STANDARDS AND EDUCATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Intergovernmental	$ 9,000	$ 9,000	$ 12,939	$ 3,939
Investment earnings	25	25	119	94
Total revenues	9,025	9,025	13,058	4,033
EXPENDITURES				
Current				
Public safety				
Police	9,000	9,000	35	8,965
Total expenditures	9,000	9,000	35	8,965
NET CHANGES IN FUND BALANCES	25	25	13,023	12,998
FUND BALANCES, beginning	6,282	6,282	6,282	-
FUND BALANCES, ending	$ 6,307	$ 6,307	$ 19,305	$ 12,998

CITY OF LEWISVILLE, TEXAS **EXHIBIT C-10**
WATERS RIDGE PUBLIC IMPROVEMENT DISTRICT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Property and other taxes	$ 15,023	$ 15,023	$ 15,023	$ -
Investment earnings	1,158	1,158	1,904	746
Total revenues	16,181	16,181	16,927	746
EXPENDITURES				
Current				
General government				
General government	15,000	15,000	15,000	-
Total expenditures	15,000	15,000	15,000	-
NET CHANGE IN FUND BALANCES	1,181	1,181	1,927	746
FUND BALANCES, beginning	267,424	267,424	267,424	-
FUND BALANCES, ending	$ 268,605	$ 268,605	$ 269,351	$ 746

CITY OF LEWISVILLE, TEXAS **EXHIBIT C-11**
ASSET FORFEITURE - STATE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Intergovernmental	$ 20,000	$ 20,000	$ 26,288	$ 6,288
Miscellaneous	-	-	16,669	16,669
Total revenues	20,000	20,000	42,957	22,957
EXPENDITURES				
Current				
Public safety				
Police	37,000	37,506	6,921	30,585
Total expenditures	37,000	37,506	6,921	30,585
NET CHANGE IN FUND BALANCES	(17,000)	(17,506)	36,036	53,542
FUND BALANCES, beginning	107,068	107,068	107,068	-
FUND BALANCES, ending	$ 90,068	$ 89,562	$ 143,104	$ 53,542

CITY OF LEWISVILLE, TEXAS **EXHIBIT C-12**
ASSET FORFEITURE - DEPARTMENT OF JUSTICE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Intergovernmental	$ 60,000	$ 60,000	$ 194,657	$ 134,657
Investment earnings	1,908	1,908	2,753	845
Total revenues	61,908	61,908	197,410	135,502
EXPENDITURES				
Current				
Public safety				
Police	76,065	61,495	43,918	17,577
Capital outlay	33,369	47,939	47,938	1
Total expenditures	109,434	109,434	91,856	17,578
NET CHANGE IN FUND BALANCES	(47,526)	(47,526)	105,554	153,080
FUND BALANCES, beginning	222,550	222,550	222,550	-
FUND BALANCES, ending	$ 175,024	$ 175,024	$ 328,104	$ 153,080

CITY OF LEWISVILLE, TEXAS **EXHIBIT C-13**
JOSEY LANE PID ADMINISTRATIVE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Property and other taxes	-	-	$ 517,028	$ 517,028
Investment earnings	-	-	3,411	3,411
Total revenues	-	-	520,439	520,439
EXPENDITURES				
Current				
General government				
General government	-	12,589	7,069	5,520
Total expenditures	-	12,589	7,069	5,520
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(12,589)	513,370	525,959
OTHER FINANCING USES				
Transfers out	-	(30,268)	(30,268)	-
Total Other Financing Uses	-	(30,268)	(30,268)	-
NET CHANGE IN FUND BALANCES	-	(42,857)	483,102	525,959
FUND BALANCES, beginning	-	-	-	-
FUND BALANCES, ending	$ -	$ (42,857)	$ 483,102	$ 525,959

CITY OF LEWISVILLE, TEXAS **EXHIBIT C-14**
COMMUNITY ACTIVITIES AND TRAINING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Intergovernmental	$ 38,100	$ 38,100	$ 69,433	$ 31,333
Recreation	373,497	373,497	201,073	(172,424)
Investment earnings	2,236	2,236	3,383	1,147
Contributions and donations	556,659	556,659	398,103	(158,556)
Total revenues	970,492	970,492	671,992	(298,500)
EXPENDITURES				
Current				
Culture and recreation				
Parks and leisure services	913,435	919,076	655,677	263,399
Public safety				
Police	6,929	10,235	5,606	4,629
Fire	24,000	48,363	48,363	-
Public & development services				
Development services	40,000	55,438	15,438	40,000
Total expenditures	984,364	1,033,112	725,084	308,028
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,872)	(62,620)	(53,092)	9,528
Other Financing Sources (Uses)				
Transfers in	(57,150)	173	173	-
Total Other Financing Sources (Uses)	(57,150)	173	173	
NET CHANGE IN FUND BALANCES	(71,022)	(62,447)	(52,919)	9,528
FUND BALANCES, beginning	366,606	366,606	366,606	-
FUND BALANCES, ending	$ 295,584	$ 304,159	$ 313,687	$ 9,528

CITY OF LEWISVILLE, TEXAS **EXHIBIT C-15**
GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Intergovernmental	$ 2,487,107	$ 2,487,107	$ 2,099,119	$ (387,988)
Miscellaneous	-	-	14,680	14,680
Total revenues	2,487,107	2,487,107	2,113,799	(373,308)
EXPENDITURES				
Current				
Culture and recreation				
Parks and leisure services	-	-	1,246	(1,246)
Public safety				
Police	264,058	201,420	194,638	6,782
Fire	200,000	200,000	474,137	(274,137)
Emergency management	49,506	-	-	-
Public & development services				
Public services	-	-	28,761	(28,761)
Development services	680,647	1,921,754	1,513,499	408,255
Capital outlay	1,377,667	62,638	63,534	(896)
Total expenditures	2,571,878	2,385,812	2,275,815	109,997
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(84,771)	101,295	(162,016)	(263,311)
OTHER FINANCING SOURCES (USES)				
Transfers in	84,771	84,771	82,179	(2,592)
Transfers out	-	(1,299,077)	(1,299,077)	-
Total other financing sources (uses)	84,771	(1,214,306)	(1,216,898)	(2,592)
NET CHANGE IN FUND BALANCES	-	(1,113,011)	(1,378,914)	(265,903)
FUND BALANCES, beginning	110,266	110,266	110,266	-
FUND BALANCES, ending	$ 110,266	$ (1,002,745)	$ (1,268,648)	$ (265,903)

CITY OF LEWISVILLE, TEXAS **EXHIBIT C-16**
LEWISVILLE CRIME CONTROL AND PREVENTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Property and other taxes	$ 3,170,027	$ 3,170,027	$ 3,514,535	$ 344,508
Investment earnings	7,070	7,070	15,493	8,423
Total revenues	3,177,097	3,177,097	3,530,028	352,931
EXPENDITURES				
Current				
General government				
Information technology services	187,763	151,681	157,347	(5,666)
Public safety				
Police	2,730,100	2,740,651	2,540,865	199,786
Public & development services				
Development services	231,076	231,076	222,999	8,077
Capital outlay	403,509	436,816	434,666	2,150
Total expenditures	3,552,448	3,560,224	3,355,877	204,347
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(375,351)	(383,127)	174,151	557,278
OTHER FINANCING USES				
Transfers out	(30,000)	(66,082)	(66,082)	-
Total other financing uses	(30,000)	(66,082)	(66,082)	-
NET CHANGE IN FUND BALANCES	(405,351)	(449,209)	108,069	557,278
FUND BALANCES, beginning	2,462,698	2,462,698	2,462,698	-
FUND BALANCES, ending	$ 2,057,347	$ 2,013,489	$ 2,570,767	$ 557,278

CITY OF LEWISVILLE, TEXAS **EXHIBIT C-17**
LEWISVILLE FIRE CONTROL, PREVENTION AND EMERGENCY MEDICAL SERVICES DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Property and other taxes	$ 3,170,027	$ 3,170,027	$ 3,514,317	$ 344,290
Investment earnings	21,663	21,663	29,560	7,897
Total revenues	3,191,690	3,191,690	3,543,877	352,187
EXPENDITURES				
Current				
General government				-
Information technology services	78,138	104,978	91,770	13,208
Public safety				
Fire	1,084,884	1,440,134	1,241,063	199,071
Emergency management	25,503	-	-	-
Public & development services:				
Development services	-	25,503	31,149	(5,646)
Capital outlay	1,720,000	1,381,660	35,352	1,346,308
Total expenditures	2,908,525	2,952,275	1,399,334	1,552,941
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	283,165	239,415	2,144,543	1,905,128
OTHER FINANCING USES				
Transfers out	(4,320,000)	(4,320,000)	(4,320,000)	-
Total other financing uses	(4,320,000)	(4,320,000)	(4,320,000)	-
NET CHANGE IN FUND BALANCES	(4,036,835)	(4,080,585)	(2,175,457)	1,905,128
FUND BALANCES, beginning	5,075,642	5,075,642	5,075,642	-
FUND BALANCES, ending	$ 1,038,807	$ 995,057	$ 2,900,185	$ 1,905,128

Internal Service funds are used to account for the financing of goods or services provided by one department to other departments within the City, on a user charge basis.

MAINTENANCE AND REPLACEMENT FUND

To provide for fleet maintenance services for City departments and account for the purchase of vehicles, major equipment, computers, and servers for the City. Departments pay monthly charges to provide the funds for future replacement of these capital assets, as well as reimburse fund for current fleet repairs and maintenance and certain technology services.

SELF-INSURANCE RISK FUND

To account for the funds accumulated for defined risk of workers' compensation, unemployment and liability/property casualty programs. Revenues are from premiums charged to departments, and funds are disbursed accordingly to program expenses such as claim payments, administrative costs and reinsurance premiums.

HEALTH BENEFIT TRUST

To account for the funds accumulated from premium charges to departments and employees for health and dental coverage programs. Expenses include claim payments, administrative costs, and reinsurance premiums.

CITY OF LEWISVILLE, TEXAS **EXHIBIT D-1**
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2017

	Maintenance and Replacement Fund	Self-Insurance Risk Fund	Health Benefit Trust Fund	Total Internal Service Funds
ASSETS				
Current assets				
Cash	$ 611,494	$ 705,452	$ 582,850	$ 1,899,796
Investments	4,085,932	4,546,715	1,535,832	10,168,479
Receivables (net of allowance for uncollectibles)				
Accounts	-	-	20,639	20,639
Interest receivable	9,362	12,235	4,636	26,233
Inventory of supplies, at cost	122,406	-	-	122,406
Prepaid items	8,370	142,426	52,422	203,218
Total current assets	4,837,564	5,406,828	2,196,379	12,440,771
Noncurrent assets				
Capital assets				
Other improvements	-	440,026	-	440,026
Machinery and equipment	5,642,792	733,909	-	6,376,701
Motor vehicles	22,442,568	-	-	22,442,568
Less accumulated depreciation	(23,330,965)	(821,092)	-	(24,152,057)
Total noncurrent assets	4,754,395	352,843	-	5,107,238
Total assets	9,591,959	5,759,671	2,196,379	17,548,009
LIABILITIES				
Current liabilities				
Current liabilities payable from restricted assets				
Accounts payable	91,858	54,669	6,867	153,394
Incurred but not reported claim reserve	-	690,888	917,976	1,608,864
Accrued liabilities	28,306	-	4,726	33,032
Compensated absences	61,370	-	-	61,370
Total current liabilities	181,534	745,557	929,569	1,856,660
Noncurrent liabilities				
Compensated absences	50,938	-	-	50,938
Total noncurrent liabilities	50,938	-	-	50,938
Total liabilities	232,472	745,557	929,569	1,907,598
NET POSITION				
Net investment in capital assets	4,754,395	352,843	-	5,107,238
Unrestricted	4,605,092	4,661,271	1,266,810	10,533,173
Total net position	$ 9,359,487	$ 5,014,114	$ 1,266,810	$ 15,640,411

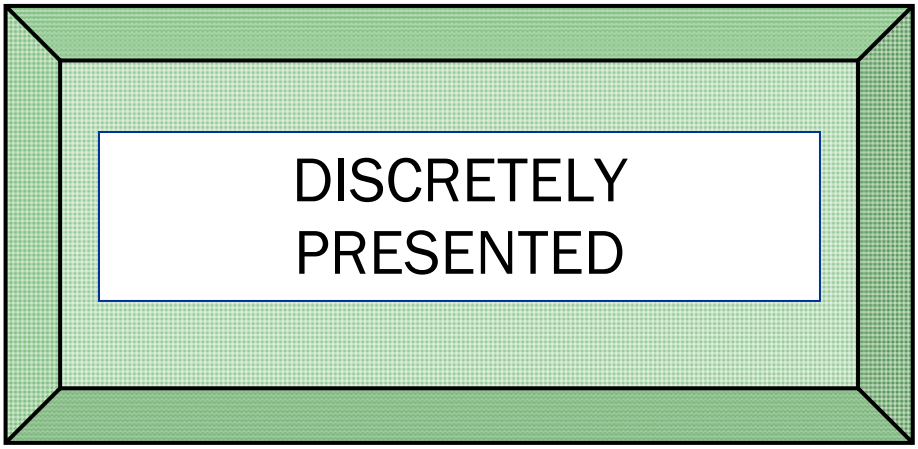
CITY OF LEWISVILLE, TEXAS **EXHIBIT D-2**
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Maintenance and Replacement Fund	Self-Insurance Risk Fund	Health Benefit Trust Fund	Total Internal Service Funds
OPERATING REVENUES				
Charges for sales and services	$ 2,707,090	$ 1,633,138	$ 11,205,351	$ 15,545,579
Miscellaneous	45,965	4,166	-	50,131
Total operating revenues	2,753,055	1,637,304	11,205,351	15,595,710
OPERATING EXPENSES				
Cost of sales and services, net of reimbursements	534,405	723,800	10,660,346	11,918,551
Personal services and administrative	786,906	160,434	419,936	1,367,276
Depreciation	1,854,486	63,122	-	1,917,608
Total operating expenses	3,175,797	947,356	11,080,282	15,203,435
Operating income (loss)	(422,742)	689,948	125,069	392,275
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	32,674	41,259	27,264	101,197
Gain on disposal of capital assets	183,605	129,090	-	312,695
Total nonoperating revenues (expenses)	216,279	170,349	27,264	413,892
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(206,463)	860,297	152,333	806,167
TRANSFERS AND CAPITAL CONTRIIBUTIONS				
Transfers in	200,000	-	-	200,000
CHANGE IN NET POSITION	(6,463)	860,297	152,333	1,006,167
NET POSITION, beginning	9,365,950	4,153,817	1,114,477	14,634,244
NET POSITION, ending	$ 9,359,487	$ 5,014,114	$ 1,266,810	$ 15,640,411

CITY OF LEWISVILLE, TEXAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT D-3

	Maintenance and Replacement Fund	Self-Insurance Risk Fund	Health Benefit Trust Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from transactions with other funds	$ 2,747,288	$ 1,629,504	$ 11,206,193	$ 15,582,985
Cash paid to employees for services	(615,913)	-	-	(615,913)
Cash paid for goods and services	(666,606)	(1,335,859)	(3,064,417)	(5,066,882)
Cash paid for claims	-	162,500	(8,115,311)	(7,952,811)
Cash received for miscellaneous items	963	3,671	-	4,634
Net cash provided by (used in) operating activities	1,465,732	459,816	26,465	1,952,013
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in from other funds	200,000	-	-	200,000
Net cash provided by (used in) noncapital financing activities	200,000	-	-	200,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(556,467)	(161,751)	-	(718,218)
Proceeds from the sale of equipment	234,948	-	-	234,948
Net cash provided by (used in) capital and related financing activities	(321,519)	(161,751)	-	(483,270)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(2,845,446)	(3,166,336)	(1,069,555)	(7,081,337)
Proceeds from sale and maturities of investments	1,538,777	2,602,657	1,099,695	5,241,129
Interest received	32,674	170,349	27,264	230,287
Net cash provided by (used in) investing activities	(1,273,995)	(393,330)	57,404	(1,609,921)
NET INCREASE (DECREASE) IN CASH	70,218	(95,265)	83,869	58,822
CASH, beginning of year	541,276	800,717	498,981	1,840,974
CASH, end of year	$ 611,494	$ 705,452	$ 582,850	$ 1,899,796
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	$ (422,742)	$ 689,948	$ 125,069	$ 392,275
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	1,854,486	63,122	-	1,917,608
Change in assets and liabilities				
(Increase) decrease in accounts receivable	(4,804)	(4,128)	842	(8,090)
(Increase) decrease in inventory	(7,420)	-	-	(7,420)
(Increase) decrease in prepaid expenses	(8,040)	6,352	3,278	1,590
Increase (decrease) in accounts and claims payable	38,516	(295,478)	(103,270)	(360,232)
Increase (decrease) in accrued liabilities	15,736	-	546	16,282
Total adjustments	1,888,474	(230,132)	(98,604)	1,559,738
Net cash provided by (used in) operating activities	$ 1,465,732	$ 459,816	$ 26,465	$ 1,952,013
NON CASH INVESTING AND FINANCING ACTIVITIES				
Increase (decrease) in fair value of investments	(6,532)	(9,124)	(3,258)	(18,914)


DISCRETELY
PRESENTED

LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

LEWISVILLE HOUSING FINANCE CORPORATION

To account for certain housing needs within the City of Lewisville. There is no separate presentation in this section for this component unit due to no perspective differences from schedules already presented.

LEWISVILLE INDUSTRIAL DEVELOPMENT AUTHORITY

To account for certain financial participation by the Authority in commercial development projects. There is no separate presentation in this section for this component unit due to no perspective differences from schedules already presented.

TAX INCREMENT REINVESTMENT ZONE NUMBER 1

To account for and provide additional financing resources to enhance the redevelopment of the Old Town area of the City.

TAX INCREMENT REINVESTMENT ZONE NUMBER 2

To account for and provide additional financing resources to pay for infrastructure costs to facilitate a mixed-use development project near the intersection of I-35E and SH-121. There is no separate presentation in this section for this component unit due to no perspective differences from schedules already presented.

LEWISVILLE PARKS AND LIBRARY DEVELOPMENT CORPORATION

To account for one-quarter cent sales tax revenues to fund public parks, recreation, and library projects and operations.

CITY OF LEWISVILLE, TEXAS
LEWISVILLE PARKS AND LIBRARY DEVELOPMENT CORPORATION
BALANCE SHEET
SEPTEMBER 30, 2017

EXHIBIT E-1

	Lewisville Parks and Library Development Corporation
ASSETS	
Cash	$ 1,812,160
Investments	12,108,658
Receivables	1,287,486
Prepaid items	221
Total assets	$ 15,208,525.00
LIABILITIES	
Accounts and contracts payable	$ 146,797.00
Accrued liabilities	60,632
Total liabilities	207,429
FUND BALANCE	
Unassigned	15,001,096
Total fund balance	15,001,096
Total liabilities and fund balance	$ 15,208,525

CITY OF LEWISVILLE, TEXAS **EXHIBIT E-2**
LEWISVILLE PARKS AND LIBRARY DEVELOPMENT CORPORATION
RECONCILIATION OF FUND BALANCE TO NET POSITION
AS OF SEPTEMBER 30, 2017

Total fund balance - Lewisville Parks and Library Development Corporation	$ 15,001,096
Amounts reported in the Statement of Net Position are different because:	
Long-term liabilities, including notes payable, are not due and payable in the current period and therefore are not reported in the fund financial statements.	(23,504,692)
Accrued interest payable does not require the use of current financial resources; therefore, it is not reported as a liability in governmental funds.	(123,540)
Deferred inflows and outflows of resources associated with net pension liability are not reported on governmental funds. This amount is the net effect of the deferred inflows and outflows of resources.	226,038
NET POSITION (DEFICIT) OF LEWISVILLE PARKS AND LIBRARY DEVELOPMENT CORPORATION	$ (8,401,098)

CITY OF LEWISVILLE, TEXAS **EXHIBIT E-3**
LEWISVILLE PARKS AND LIBRARY DEVELOPMENT CORPORATION
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
YEAR ENDED SEPTEMBER 30, 2017

	Lewisville Parks and Library Development Corporation
REVENUES	
Taxes	
General sales and use taxes	$ 7,420,153
Charges for service	208,304
Interest	91,601
Total revenues	7,720,058
EXPENDITURES	
Current	
Culture and recreation	3,262,427
Debt service	
Principal	1,925,000
Interest and other fiscal charges	1,046,621
Capital outlay	190,420
Total expenditures	6,424,468
Net Change in Fund Balance	1,295,590
Fund balance, beginning of year	13,705,506
Fund balance, end of year	$ 15,001,096

CITY OF LEWISVILLE, TEXAS **EXHIBIT E-4**
LEWISVILLE PARKS AND LIBRARY DEVELOPMENT CORPORATION
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

Net change in fund balances - Lewisville Parks and Library Development Corporation	$	1,295,590
Amounts reported for component units in the statement of activities are different because:		
The issuance of long term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount (bond principal payments of $1,925,000 and ($16,032) change in accrued interest less $0 issuance of new notes) is the net effect of these differences in the treatment of long term debt and related items.		1,908,968
Current year changes in the long term liability for compensated absences do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.		(2,213)
Current year changes in the long term liability for net pension benefit obligations do not require the use of current financial resources; therefore, are not reported as expenditures in the governmental funds. The amount represents the difference between current year pension expense ($168,982) and contributions ($147,071) made after the measurement date.		(21,911)
CHANGE IN NET POSITION OF LEWISVILLE PARKS AND LIBRARY DEVELOPMENT CORPORATION	$	3,180,434

CITY OF LEWISVILLE, TEXAS **EXHIBIT E-5**
TAX INCREMENT REINVESTMENT ZONE 1 (OLD TOWN)
BALANCE SHEET
SEPTEMBER 30, 2017

	Tax Increment Reinvestment Zone 1 (Old Town)
ASSETS	
Cash	$ 223,470
Investments	1,493,203
Receivables	3,468
Total assets	$ 1,720,141
LIABILITIES	
Accounts and contracts payable	$ 38,490
Total liabilities	38,490
FUND BALANCE	
Restricted	1,681,651
Total fund balance	1,681,651
Total liabilities and fund balance	$ 1,720,141

CITY OF LEWISVILLE, TEXAS **EXHIBIT E-6**
TAX INCREMENT REINVESTMENT ZONE 1 (OLD TOWN)
RECONCILIATION OF FUND BALANCE TO NET POSITION
SEPTEMBER 30, 2017

Total fund balance - Tax Increment Reinvestment Zone 1 (Old Town)	$ 1,681,651
Amounts reported in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	6,196,625
Accrued interest payable does not require the use of current financial resources; therefore, it is not reported as a liability in governmental funds.	(36,906)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the fund financial statements.	(5,905,000)
NET POSITION OF TAX INCREMENT REINVESTMENT ZONE 1 (OLD TOWN)	$ 1,936,370

CITY OF LEWISVILLE, TEXAS **EXHIBIT E-7**
TAX INCREMENT REINVESTMENT ZONE 1 (OLD TOWN)
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Tax Increment Reinvestment Zone 1 (Old Town)
REVENUES	
Taxes	
Property taxes	$ 776,138
Interest	13,090
Total revenues	789,228
EXPENDITURES	
Current	
Culture and recreation	5,702
Debt service	
Principal	330,000
Interest and other fiscal charges	309,229
Capital outlay	63,688
Total expenditures	708,619
Net Change in Fund Balance	80,609
Fund balance, beginning of year	1,601,042
Fund balance, end of year	$ 1,681,651

CITY OF LEWISVILLE, TEXAS **EXHIBIT E-8**
TAX INCREMENT REINVESTMENT ZONE 1 (OLD TOWN)
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

Net change in fund balances - Tax Increment Reinvestment Zone 1 (Old Town)	$	80,609
Amounts reported for component unit funds in the statement of activities are different because:		
The issuance of long term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas the the amounts are deferred and amortized in the statement of activities. This amount (bond principal payments of $330,000 plus $927 change in accrued interest is the effect of these differences in the treatment of long term debt and related items.		330,927
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Dispositions of capital assets decrease net assets. Capital outlay increased net position $105,675 for the current fiscal year, less dispositions of $62,981.		42,694
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds.		(380,847)
CHANGE IN NET POSITION OF TAX INCREMENT REINVESTMENT ZONE 1 (OLD TOWN)	$	73,383

LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

STATISTICAL SECTION

LEWISVILLE

Deep Roots. Broad Wings. Bright Future.

STATISTICAL SECTION

This part of the City of Lewisville's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

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Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed 1-4

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, property and sales tax. 5-11

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future. 12-16

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place. 17-18

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. 19-21

CITY OF LEWISVILLE, TEXAS
NET POSITION BY COMPONENT
Last Ten Fiscal Years (accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2008	2009	2010	2011
Governmental activities				
Net investment in capital assets	$ 287,096,412	$ 308,190,669	$ 311,014,889	$ 305,260,721
Restricted	1,756,591	1,867,844	1,324,264	1,016,096
Unrestricted	50,443,168	49,358,449	48,721,698	47,005,244
Total governmental activities net position	$ 339,296,171	$ 359,416,962	$ 361,060,851	$ 353,282,061
Business-type activities				
Net investment in capital assets	$ 159,684,492	$ 166,895,435	$ 172,162,748	$ 181,476,154
Restricted	2,024,478	1,914,446	2,147,527	1,939,786
Unrestricted	38,090,009	35,940,547	33,568,393	28,480,396
Total business-type activities	$ 199,798,979	$ 204,750,428	$ 207,878,668	$ 211,896,336
Primary government				
Net investment in capital assets	$ 446,780,904	$ 475,086,104	$ 483,177,637	$ 486,736,875
Restricted	3,781,069	3,782,290	3,471,791	2,955,882
Unrestricted	88,533,177	85,298,996	82,290,091	75,485,640
Total primary government	$ 539,095,150	$ 564,167,390	$ 568,939,519	$ 565,178,397

Source: Comprehensive Annual Financial Reports

TABLE-1

Fiscal Year					
2012	2013	2014	2015	2016	2017
$ 298,329,672	$ 314,990,028	$ 265,767,485	$ 290,955,249	$ 313,408,098	$ 331,724,740
1,012,020	10,755,866	63,693,205	55,416,109	54,396,250	68,827,719
59,368,657	33,848,899	49,679,277	29,709,258	35,771,493	32,005,406
$ 358,710,349	$ 359,594,793	$ 379,139,967	$ 376,080,616	$ 403,575,841	$ 432,557,865
$ 181,437,600	$ 186,611,050	$ 193,138,892	$ 203,627,543	$ 216,339,053	$ 222,703,569
1,975,308	1,688,303	1,805,958	6,277,950	6,528,158	7,316,115
35,270,129	35,383,205	34,648,469	26,912,182	25,770,201	23,634,126
$ 218,683,037	$ 223,682,558	$ 229,593,319	$ 236,817,675	$ 248,637,412	$ 253,653,810
$ 479,767,272	$ 501,601,078	$ 458,906,377	$ 494,582,792	$ 529,747,151	$ 554,428,309
2,987,328	12,444,169	65,499,163	61,694,059	60,924,408	76,143,834
94,638,786	69,232,104	84,327,746	56,621,440	61,541,694	55,639,532
$ 577,393,386	$ 583,277,351	$ 608,733,286	$ 612,898,291	$ 652,213,253	$ 686,211,675

CITY OF LEWISVILLE, TEXAS
CHANGES IN NET POSITION
Last Ten Fiscal Years (accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2008	2009	2010	2011
Expenses				
Governmental activities				
General government	$ 10,697,346	$ 10,746,552	$ 10,760,138	$ 10,997,464
Culture, parks and recreation	7,927,455	8,667,117	9,299,504	9,585,769
Public safety	33,721,041	35,349,800	37,628,477	38,558,345
Public & development services	19,409,072	20,313,784	22,404,173	24,634,802
Interest on long-term debt	3,581,167	2,673,325	2,753,817	2,603,426
Total governmental activities expenses	75,336,081	77,750,578	82,846,109	86,379,806
Business-type activities				
Water and sewer	20,378,432	20,822,278	21,521,566	23,055,596
Total business-type activities expenses	20,378,432	20,822,278	21,521,566	23,055,596
Total primary government expenses	95,714,513	98,572,856	104,367,675	109,435,402
Program Revenues				
Governmental activities				
Charges for services				
General government	3,995,292	3,386,580	3,306,827	3,348,523
Culture, parks & recreation	1,794,574	1,741,591	1,696,101	1,631,629
Public safety	5,422,367	5,929,457	5,000,197	5,665,379
Public & development services	2,067,879	1,516,232	1,656,995	1,947,382
Operating grants and contributions	1,136,855	1,202,143	2,228,626	2,190,754
Capital grants and contributions	35,595,714	23,865,801	11,183,861	3,579,450
Total governmental activities program revenues	50,012,681	37,641,804	25,072,607	18,363,117
Business-type activities				
Charges for services				
Water and sewer	25,340,886	25,657,454	26,146,670	28,072,610
Capital grants and contributions	11,228,765	1,823,269	1,470,699	2,643,208
Total business-type activities program revenues	36,569,651	27,480,723	27,617,369	30,715,818
Total primary government program revenues	86,582,332	65,122,527	52,689,976	49,078,935
Net (Expense)/Revenue				
Governmental activities	(25,323,400)	(40,108,774)	(57,773,502)	(68,016,689)
Business-type activities	16,191,219	6,658,445	6,095,803	7,660,222
Total primary government net expense	$ (9,132,181)	$ (33,450,329)	$ (51,677,699)	$ (60,356,467)

(Continued)

TABLE-2
(Continued)

Fiscal Year					
2012	2013	2014	2015	2016	2017
$ 11,987,014	$ 13,005,019	$ 14,937,012	$ 14,889,822	$ 16,558,383	$ 19,373,580
9,487,780	9,377,831	9,453,483	10,590,147	11,595,165	12,290,135
39,275,855	40,983,264	42,102,487	43,314,229	48,023,020	51,065,140
25,527,286	25,089,041	26,636,252	24,838,325	24,054,096	26,561,696
2,666,807	2,602,891	3,929,397	4,630,523	3,007,969	3,201,522
88,944,742	91,058,046	97,058,631	98,263,046	103,238,633	112,492,073
22,170,962	22,238,910	23,374,088	23,966,776	25,719,450	27,727,921
22,170,962	22,238,910	23,374,088	23,966,776	25,719,450	27,727,921
111,115,704	113,296,956	120,432,719	122,229,822	128,958,083	140,219,994
3,447,957	3,383,721	3,430,722	4,078,959	4,552,123	5,602,107
1,615,228	1,558,232	1,602,387	1,511,452	1,694,567	1,879,756
5,390,583	6,021,116	6,626,569	6,426,736	7,051,806	7,529,350
1,512,075	2,161,083	2,164,718	2,719,160	2,804,823	3,127,996
2,517,289	2,415,909	3,439,677	2,112,550	2,459,898	4,291,331
15,090,545	4,745,018	23,980,160	17,073,948	27,519,322	26,620,718
29,573,677	20,285,079	41,244,233	33,922,805	46,082,539	49,051,258
28,375,842	27,797,951	27,164,770	26,928,510	29,392,347	30,566,320
4,254,018	2,851,893	6,316,430	10,094,171	11,561,859	5,592,092
32,629,860	30,649,844	33,481,200	37,022,681	40,954,206	36,158,412
62,203,537	50,934,923	74,725,433	70,945,486	87,036,745	85,209,670
(59,371,065)	(70,772,967)	(55,814,398)	(64,340,241)	(57,156,094)	(63,440,815)
10,458,898	8,410,934	10,107,112	13,055,905	15,234,756	8,430,491
$ (48,912,167)	$ (62,362,033)	$ (45,707,286)	$ (51,284,336)	$ (41,921,338)	$ (55,010,324)

CITY OF LEWISVILLE, TEXAS
CHANGES IN NET POSITION
Last Ten Fiscal Years (accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2008	2009	2010	2011
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes				
Property taxes	$ 27,936,176	$ 29,580,192	$ 28,898,185	$ 27,774,848
Sales taxes	18,932,595	17,686,496	18,605,874	18,677,965
Other taxes	1,119,792	1,095,822	1,046,346	1,038,923
Franchise taxes	4,803,626	4,635,238	5,055,711	5,272,499
Hotel motel taxes	1,830,230	1,554,826	1,551,355	1,862,191
Penalties and interest	238,428	219,250	186,231	146,689
Investment earnings	3,287,167	2,051,754	526,984	459,600
Gain (loss) on disposal of assets	9,682	5,560	13,118	3,075
Miscellaneous	416,282	291,772	272,693	1,077,579
Transfers	3,073,842	3,108,655	3,260,894	3,924,530
Total governmental activities	61,647,820	60,229,565	59,417,391	60,237,899
Business-type activities				
Investment earnings	2,015,797	1,344,073	211,973	269,639
Intergovernmental contributions	-	-	-	-
Gain (loss) on disposal of assets	4,385	-	-	-
Miscellaneous	64,325	57,586	81,358	12,337
Transfers	(3,073,842)	(3,108,655)	(3,260,894)	(3,924,530)
Total business-type activities	(989,335)	(1,706,996)	(2,967,563)	(3,642,554)
Total primary government	60,658,485	58,522,569	56,449,828	56,595,345
Change in Net Position				
Governmental activities	36,324,420	20,120,791	1,643,889	(7,778,790)
Business-type activities	15,201,884	4,951,449	3,128,240	4,017,668
Total primary government	$ 51,526,304	$ 25,072,240	$ 4,772,129	$ (3,761,122)

Source: Comprehensive Annual Financial Reports

TABLE-2
(Continued)

Fiscal Year					
2012	2013	2014	2015	2016	2017
$ 28,739,963	$ 29,579,363	$ 31,441,081	$ 33,283,968	$ 35,736,489	$ 38,990,482
22,666,950	27,451,139	29,361,613	31,362,273	33,215,415	35,730,891
1,011,328	1,200,502	1,180,980	463,773	436,866	958,170
5,436,197	5,814,797	6,222,722	7,079,783	6,852,201	6,999,960
1,960,910	2,065,363	2,196,565	2,423,662	2,667,652	2,595,730
228,746	154,905	153,196	177,235	148,661	208,671
365,045	210,934	371,766	828,823	805,331	1,132,897
8,525	3,477	4,750	103,233	18,323	77,614
396,641	817,291	1,240,197	1,034,439	900,434	1,801,022
3,985,048	3,735,515	3,814,737	3,743,920	3,869,947	3,927,402
64,799,353	71,657,411	75,987,607	80,501,109	84,651,319	92,422,839
286,958	120,530	173,481	372,587	361,953	464,857
-	-	-	-	-	-
-	-	-	-	-	-
25,893	203,572	19,195	11,673	92,975	48,452
(3,985,048)	(3,735,515)	(3,814,737)	(3,743,920)	(3,869,947)	(3,927,402)
(3,672,197)	(3,411,413)	(3,622,061)	(3,359,660)	(3,415,019)	(3,414,093)
61,127,156	68,245,998	72,365,546	77,141,449	81,236,300	89,008,746
5,428,288	884,444	20,173,209	16,160,868	27,495,225	28,982,024
6,786,701	4,999,521	6,485,051	9,696,245	11,819,737	5,016,398
$ 12,214,989	$ 5,883,965	$ 26,658,260	$ 25,857,113	$ 39,314,962	$ 33,998,422

CITY OF LEWISVILLE, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years (modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2008	2009	2010	2011
General fund				
Nonspendable	$ 196,935	$ 228,411	$ 201,588	$ 230,316
Assigned	156,790	121,575	136,854	100,680
Unassigned	31,175,630	31,658,380	26,429,898	28,989,043
Total general fund	$ 31,529,355	$ 32,008,366	$ 26,768,340	$ 29,320,039
All other governmental funds				
Nonspendable	$ 3,489,874	$ 3,244,870	$ 3,245,372	$ 2,758,852
Restricted	35,273,808	31,570,851	26,443,792	22,563,101
Committed	8,365,004	8,589,094	7,687,555	7,705,016
Assigned	12,433,089	7,827,143	14,681,969	10,335,218
Unassigned	-	-	-	-
Total all other governmental funds	$ 59,561,775	$ 51,231,958	$ 52,058,688	$ 43,362,187

Source: Comprehensive Annual Financial Reports

TABLE-3

Fiscal Year					
2012	2013	2014	2015	2016	2017
$ 234,127	$ 381,982	$ 427,988	$ 211,453	$ 419,587	$ 263,615
222,738	538,290	927,749	942,033	870,323	1,054,236
30,615,982	30,571,006	30,287,824	36,088,467	36,616,542	38,970,279
$ 31,072,847	$ 31,491,278	$ 31,643,561	$ 37,241,953	$ 37,906,452	$ 40,288,130
$ 2,518,104	$ 2,265,652	$ 4,036,362	$ 1,776,221	$ 1,537,789	$ 2,493,293
31,447,210	43,011,859	54,997,056	45,884,953	46,215,549	70,068,470
6,812,474	7,065,074	5,783,255	3,356,630	5,149,000	5,671,550
6,985,090	7,166,018	6,515,177	1,461,128	14,338,843	14,270,967
-	-	-	-	-	(1,268,648)
$ 47,762,878	$ 59,508,603	$ 71,331,850	$ 52,478,932	$ 67,241,181	$ 91,235,632

CITY OF LEWISVILLE, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years (modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2008	2009	2010	2011
Revenues				
Property and other taxes	$ 54,828,308	$ 54,752,225	$ 55,411,805	$ 54,800,940
Licenses and permits	2,328,846	1,767,049	1,894,107	2,210,218
Charges for services	5,603,449	5,702,288	5,522,540	5,543,470
Recreation	1,591,676	1,536,596	1,502,618	1,432,238
Fines	2,916,566	2,950,843	2,946,204	2,752,316
Intergovernmental	1,990,833	1,237,322	2,316,342	1,497,777
Investment earnings	3,287,167	2,051,749	526,987	459,604
Contributions and donations	27,641,031	5,072,965	4,018,465	1,922,304
Miscellaneous	975,687	1,026,729	1,080,387	2,109,044
Total revenues	101,163,563	76,097,766	75,219,455	72,727,911
Expenditures				
General government	8,956,950	9,334,801	9,115,750	9,404,791
Culture and recreation	6,640,069	6,458,408	6,207,016	6,300,265
Public safety	32,450,887	33,755,435	35,016,553	35,209,021
Public & development services	9,724,646	9,998,112	9,492,466	9,591,553
Capital outlay	36,317,662	24,862,380	14,505,465	14,330,533
Debit service:				
Principal	4,995,000	5,205,000	5,695,000	6,590,000
Interest and fiscal charges	3,494,604	2,869,614	2,849,017	2,604,989
Total expenditures	102,579,818	92,483,750	82,881,267	84,031,152
Excess (deficiency) of revenues over (under) expenditures	(1,416,255)	(16,385,984)	(7,661,812)	(11,303,241)
Other financing sources (uses)				
Transfers in	12,103,060	7,478,048	13,622,782	8,015,843
Transfers out	(7,652,635)	(4,369,393)	(10,397,384)	(4,099,531)
Issuance of refunding bonds	8,715,000	5,430,000	2,565,000	1,605,000
Issuance of general obligation bonds and tax notes	-	-	(2,555,000)	(1,610,846)
Payments to refunding bond escrow agent	-	-	-	-
Premium (discount) on issuance of bonds and tax notes	(5,372)	(9,037)	-	24,898
Proceeds from sale of assets	9,682	5,560	13,118	3,075
Contributions from other sources	-	-	-	1,220,000
Total other financing sources (uses)	13,169,735	8,535,178	3,248,516	5,158,439
Net change in fund balances	$ 11,753,480	$ (7,850,806)	$ (4,413,296)	$ (6,144,802)
Debt service as a percentage of noncapital expenditures	11.7%	11.9%	12.1%	12.5%

Notes: Debt service percentage is based on noncapital expenditures to the extent of capital outlay capitalized for the government-wide statement of net position. See Exhibit 5 of CAFRs for further information.

Source: Comprehensive Annual Financial Reports

Fiscal Year					
2012	2013	2014	2015	2016	2017
$ 60,070,877	$ 66,279,731	$ 70,528,793	$ 74,842,866	$ 79,009,378	$ 85,426,387
1,741,153	2,375,771	2,344,395	2,928,356	3,069,656	3,042,943
5,680,893	6,051,283	6,228,323	7,276,968	8,331,143	10,321,007
1,448,853	1,380,911	1,392,858	1,350,039	1,559,490	1,748,978
2,874,525	2,954,961	3,184,227	3,133,365	3,180,513	2,867,754
1,481,591	1,672,221	1,314,512	6,458,088	17,776,341	9,778,081
365,043	1,771,288	3,283,200	736,610	731,407	1,031,702
10,100,624	1,434,519	22,204,576	860,304	9,806,224	23,215,076
1,880,771	2,258,538	3,229,624	1,137,665	918,752	1,878,639
85,644,330	86,179,223	113,710,508	98,724,261	124,382,904	139,310,567
9,933,848	10,350,058	11,770,289	10,224,337	11,185,958	13,567,967
6,318,868	6,288,988	6,486,894	7,561,819	7,908,411	8,888,282
36,816,688	39,487,803	41,217,380	42,290,390	44,332,936	48,212,481
9,687,620	10,596,633	11,113,045	11,365,485	12,110,108	14,949,216
23,658,611	16,208,343	23,663,670	33,388,870	39,527,888	31,808,968
6,325,000	5,410,000	7,130,000	7,425,000	9,345,000	11,135,000
2,405,624	3,143,454	4,106,105	4,829,415	3,510,370	3,699,485
95,146,259	91,485,279	105,487,383	117,085,316	127,920,671	132,261,399
(9,501,929)	(5,306,056)	8,223,125	(18,361,055)	(3,537,767)	7,049,168
8,778,083	11,323,247	11,891,798	13,104,729	31,607,222	19,817,589
(4,072,035)	(7,587,732)	(8,144,143)	(8,269,213)	(27,837,275)	(16,090,187)
16,490,000	12,455,000	-	21,085,000	9,905,000	-
9,260,000	-	-	-	14,065,000	14,365,000
(16,969,925)	-	-	(23,235,107)	(10,873,240)	-
1,240,780	1,276,220	-	2,421,120	2,097,808	1,234,559
8,525	3,477	4,750	-	-	-
920,000	-	-	-	-	-
15,655,428	17,470,212	3,752,405	5,106,529	18,964,515	19,326,961
$ 6,153,499	$ 12,164,156	$ 11,975,530	$ (13,254,526)	$ 15,426,748	$ 26,376,129
11.4%	10.8%	12.9%	14.0%	14.1%	14.4%

CITY OF LEWISVILLE, TEXAS
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years (accrual basis of accounting)
(Unaudited)

TABLE-5

Fiscal Year	Estimated Market Value		Less: Tax-Exempt Property	Less: Property Under Freeze	Less: TIRZ Zones Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Personal Property & Other					
2008	6,040,730,857	1,129,555,348	774,550,122	150,432,444	88,496,443	6,156,807,196	0.440500
2009	6,446,207,177	1,191,217,048	839,703,836	164,430,210	107,112,885	6,526,177,294	0.440210
2010	6,375,044,714	1,255,326,502	1,007,324,631	178,908,241	79,708,452	6,364,429,892	0.440210
2011	6,149,759,302	1,187,121,672	988,851,847	190,869,769	78,909,810	6,078,249,548	0.440210
2012	6,314,259,228	1,355,266,675	1,121,735,174	205,892,126	70,665,418	6,271,233,185	0.440210
2013	6,484,331,621	1,469,479,781	1,187,401,591	209,556,944	85,932,250	6,470,920,617	0.440210
2014	6,742,100,070	1,649,766,503	1,193,916,347	229,099,134	94,339,896	6,874,511,196	0.440210
2015	7,329,750,382	1,768,965,589	1,296,887,842	269,159,098	149,276,548	7,383,392,483	0.436086
2016	8,043,353,586	1,778,602,630	1,364,067,579	319,823,068	180,305,408	7,957,760,161	0.436086
2017	8,846,461,398	1,730,490,506	1,423,804,504	385,641,080	224,299,938	8,543,206,382	0.436086

Source: Denton Central Appraisal District, Certified Valuations

CITY OF LEWISVILLE, TEXAS **TABLE-6**
DIRECT AND OVERLAPPING PROPERTY TAX RATES
(per $100 of assessed value)
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	City Direct Rates			Overlapping Rates		Total Direct & Overlapping Rates
	Operating/ General Rate	General Obligation Debt Service	Total Direct	Lewisville Independent School District	Denton County	
2008	0.321840	0.118660	0.440500	1.3700	0.23589	2.046390
2009	0.321560	0.118650	0.440210	1.3800	0.23577	2.055980
2010	0.321560	0.118650	0.440210	1.4087	0.24980	2.098710
2011	0.322890	0.117320	0.440210	1.4267	0.27390	2.140810
2012	0.322890	0.117320	0.440210	1.4260	0.27736	2.143567
2013	0.322890	0.117320	0.440210	1.4530	0.28287	2.176077
2014	0.322890	0.117320	0.440210	1.4770	0.28491	2.202124
2015	0.318766	0.117320	0.436086	1.4770	0.27220	2.185286
2016	0.318766	0.117320	0.436086	1.4767	0.26200	2.174816
2017	0.318766	0.117320	0.436086	1.4200	0.24841	2.104495

Source: City of Lewisville, Denton County Tax Assessor

CITY OF LEWISVILLE, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

TABLE-7

2017			2008		
Taxpayer	**Taxable Assessed Valuation**	**Percentage of Total City Taxable Assessed Value**	**Taxpayer**	**Taxable Assessed Valuation**	**Percentage of Total City Taxable Assessed Value**
Digital Lewisville LLC	$ 98,000,000	1.15%	Vista Ridge Joint Venture	$ 89,154,843	1.45%
RREF Chapel Hill LLC	88,829,000	1.04%	Verizon Southwest	61,101,940	0.99%
Sysco Food Services of Dallas LP	85,915,598	1.01%	Teachers Insurance Annuity Association	50,226,096	0.82%
Columbia Medical Center Lewisville	65,966,184	0.77%	TIC Lago Vista LP etal	45,880,130	0.75%
TIC Lago Vista LP etal	64,253,143	0.75%	GRE Vista Ridge LP	44,434,687	0.72%
DFW Lewisville Partners GP	62,814,775	0.74%	Southwest Properties LP	44,173,008	0.72%
Teachers Insurance Annuity Assoc	60,182,800	0.70%	Columbia Medical Center Lewisville	44,005,876	0.71%
Madera Roe Investors SPE LLC etal	58,410,000	0.68%	KIR Lewisville LP P/S	41,943,759	0.68%
Vista Ridge Mall LLC	55,998,000	0.66%	SYSCO Food Services of Dallas LP	36,139,420	0.59%
TLF Logistics II Lakepointe Crossing LLC	54,644,000	0.64%	DDR MDT Lakepointe Crossing LP	35,477,497	0.58%
TOTAL	$ 695,013,500	8.14%	**TOTAL**	$ 492,537,256	8.00%

Source: Denton Central Appraisal District

CITY OF LEWISVILLE, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
(Last Ten Fiscal Years)
(Unaudited)

TABLE-8

Fiscal Year	Taxes Levied Within the Fiscal Year of the Levy	Adjustments to Levy in Subsequent Years	Adjusted Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Fiscal Year Levy		Amount	Percentage of Adjusted Levy
2008	28,264,833	(28,565)	28,236,268	28,029,846	99.17%	175,253	28,205,099	99.89%
2009	29,966,864	(52,248)	29,914,616	29,762,422	99.32%	124,677	29,887,099	99.91%
2010	29,389,678	(62,139)	29,327,539	29,115,450	99.07%	177,387	29,292,837	99.88%
2011	28,228,960	86,382	28,315,341	28,084,210	99.49%	209,054	28,293,264	99.92%
2012	28,925,178	98,980	29,024,158	28,814,980	99.62%	169,544	28,984,524	99.86%
2013	29,949,696	(9,037)	29,940,659	29,838,761	99.63%	53,558	29,892,319	99.84%
2014	31,844,644	17,762	31,862,406	31,726,584	99.63%	84,450	31,811,034	99.84%
2015	33,934,554	51,606	33,986,160	33,814,067	99.64%	112,578	33,926,645	99.82%
2016	36,424,245	(5,577)	36,418,668	36,315,756	99.70%	39,566	36,355,322	99.83%
2017	39,698,686	-	39,698,686	39,562,788	99.66%	-	39,562,788	99.66%

Source: Denton County Appraisal District and Denton County Tax Office

CITY OF LEWISVILLE, TEXAS
GROSS SALES BY CATEGORY
Last Ten Calendar Years
(Unaudited)

	Calendar Year			
	2008	2009	2010	2011
Construction	$ 389,267,507	$ 426,073,490	$ 315,604,945	$ 508,276,308
Manufacturing	891,125,270	751,857,471	753,995,737	761,594,169
Transportation, Warehousing	650,786,731	710,880,556	691,150,901	747,819,849
Wholesale Trade	623,518,433	745,420,584	801,433,783	998,636,961
Retail Trade	2,075,807,503	1,927,414,046	1,878,956,373	1,931,419,742
Finance, Insurance and Information	53,044,625	53,996,484	57,425,359	70,840,042
Real Estate, Rental and Leasing	49,024,728	34,973,325	19,078,930	22,216,520
Professional, Scientific and Technical Services	159,409,613	194,403,930	211,806,495	275,395,584
Admin, Support, Waste Mgmt, Remediation Services	166,466,814	163,933,681	166,933,359	166,911,144
Educational Services	6,159,101	5,983,619	7,033,934	6,969,123
Health Care and Social Assistance	9,610,245	6,350,766	5,141,407	8,672,569
Arts, Entertainment and Recreation	30,144,139	41,445,461	25,715,214	26,861,732
Accommodation and Food Services	207,232,660	209,960,645	209,744,109	215,936,485
Other Services	100,185,148	93,452,124	126,406,332	130,789,356
Other, including industries with less than four entities	62,016,500	56,823,976	51,936,646	55,951,821
Total	$ 5,473,799,017	$ 5,422,970,158	$ 5,322,363,524	$ 5,928,291,405
City direct sales tax rate	1.25%	1.25%	1.25%	1.25%

Notes:
The Comptroller's Office is prohibited from releasing information as to the amount of sales of particular taxpayers in the State of Texas. The Other category above represents those North American Industry Classification System (NAICS) categories with fewer than four (4) taxpayers in an industry and industries with small gross sales. Among the industries included in the Other category are Agriculture, Forestry, Fishing, Hunting, Mining, Quarrying, Oil and Gas Extraction, Utilities, Management of Companies & Enterprises and Public Administration.

Source: Texas Comptroller of Public Accounts, quarterly historical reports of gross sales.

Calendar Year					
2012	2013	2014	2015	2016	2017
$ 521,804,800	$ 583,295,010	$ 638,610,746	$ 721,442,040	$ 958,021,075	$ 1,345,455,738
876,625,971	914,284,411	1,060,349,818	984,708,724	1,188,505,567	1,240,169,182
818,329,058	511,874,252	357,156,412	403,302,932	431,732,599	514,836,288
1,041,654,476	975,236,076	1,005,749,248	1,049,885,511	928,390,616	1,058,117,835
2,111,473,213	2,183,666,702	2,479,427,763	2,549,423,928	2,276,916,379	2,354,009,159
69,075,343	66,652,294	82,460,855	92,862,599	100,758,318	116,746,685
35,585,520	41,154,276	57,758,763	65,197,168	72,394,606	72,978,054
288,679,219	412,722,141	321,552,179	229,837,409	281,636,407	360,172,058
178,166,862	178,468,571	206,552,443	233,397,011	243,358,095	229,202,038
7,194,735	6,649,409	4,957,465	5,913,426	8,681,973	5,283,801
35,890,987	35,015,715	61,111,630	69,231,424	84,018,177	96,689,420
30,244,591	34,052,488	39,959,914	41,368,183	42,843,935	42,278,161
242,533,721	258,035,281	256,135,797	266,726,875	270,904,668	269,785,969
195,709,795	149,266,942	181,844,589	144,140,302	183,781,639	198,728,456
64,611,945	64,288,526	68,075,878	57,717,235	59,768,651	62,309,468
$ 6,517,580,236	$ 6,414,662,094	$ 6,821,703,500	$ 6,915,154,767	$ 7,131,712,705	$ 7,966,762,312
1.50%	1.50%	1.50%	1.50%	1.50%	1.50%

CITY OF LEWISVILLE, TEXAS
DIRECT AND OVERLAPPING SALES TAX RATES
Last Ten Fiscal Years
(Unaudited)

TABLE-10

	City Direct Rates				Overlapping Rates	
Fiscal Year	General Fund	Parks and Library Development Corporation	Crime Control and Prevention District	Fire Control, Prevention, and Emergency Medical Services District	Denton Co. Transit Authority	Total Direct & Overlapping Rates
2008	1.00%	0.25%	-	-	0.50%	1.75%
2009	1.00%	0.25%	-	-	0.50%	1.75%
2010	1.00%	0.25%	-	-	0.50%	1.75%
2011	1.00%	0.25%	-	-	0.50%	1.75%
2012	1.00%	0.25%	0.125%	0.125%	0.50%	2.00%
2013	1.00%	0.25%	0.125%	0.125%	0.50%	2.00%
2014	1.00%	0.25%	0.125%	0.125%	0.50%	2.00%
2015	1.00%	0.25%	0.125%	0.125%	0.50%	2.00%
2016	1.00%	0.25%	0.125%	0.125%	0.50%	2.00%
2017	1.00%	0.25%	0.125%	0.125%	0.50%	2.00%

Source: Texas Comptroller of Public Accounts

LEWISVILLE

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CITY OF LEWISVILLE, TEXAS
PRINCIPAL SALES TAX PAYERS
Current Year and Nine Years Ago
(Unaudited)

Calendar Year 2017

Industry	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
OTHER	647	5.84%	$ 3,514,456	9.23%
All Other General Merchandise Stores	79	0.71%	1,821,273	4.78%
Discount Department Stores	5	0.05%	1,750,619	4.60%
Full-Service Restaurants	147	1.33%	1,403,412	3.69%
Limited-Service Restaurants	104	0.94%	1,188,626	3.12%
All Other Miscellaneous Store Retailers (except Tobacco Stores)	317	2.86%	967,292	2.54%
Wireless Telecommunication Carriers (Except Satellite)	63	0.57%	945,897	2.48%
Electric Power Distribution	55	0.50%	829,867	2.18%
Wired Telecommunications Carriers	83	0.75%	796,832	2.09%
Lumber, Plywood, Millwork, and Wood Panel Merchant Wholesalers	12	0.11%	784,772	2.06%
Total	1,512	13.64%	$ 14,003,047	36.78%

Notes: The Comptroller's Office is prohibited from releasing information as to the amounts of sales or use tax paid by a particular taxpayer in the State of Texas. Therefore, the categories presented above are intended to provide alternative information regarding the sources of the City's sales tax revenue. The OTHER category above represents those NAICS classifications with fewer than four (4) taxpayers in a classification. In order to keep the identify of these taxpayers confidential, classifications with fewer than four (4) taxpayers are combined as "OTHER" and represented together as one classification.

Source: Texas Comptroller of Public Accounts

Calendar Year 2008

Industry	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
OTHER	849	10.09%	$ 2,374,641	9.90%
Discount Department Stores	7	0.08%	1,678,278	7.00%
Full-Service Restaurants	135	1.61%	1,301,800	5.43%
Department Stores	12	0.14%	1,176,717	4.91%
Electric Power Distribution	30	0.36%	812,320	3.39%
Home Centers	9	0.11%	726,371	3.03%
Limited-Service Restaurants	99	1.18%	714,467	2.98%
Radio, Television, & other Elec Stores	42	0.50%	655,493	2.73%
Wireless Telecommunication Carriers	57	0.68%	640,181	2.67%
Hydroelectric Power Generation	4	0.05%	541,987	2.26%
Total	1,244	14.79%	$ 10,622,255	44.30%

CITY OF LEWISVILLE, TEXAS
COMBINED SCHEDULE OF BONDS
SEPTEMBER 30, 2017
(Unaudited)

Issue	Interest Rates	Interest Payment Dates	Date Issued	Date Maturity	Annual Serial Payments
General Obligation Bonds-					
Series 2007 Refunding & Improvement	4.00 - 5.00	02/15 & 08/15	05/15/07	02/15/2023	260,000 - 2,235,000
Series 2008	4.00 - 4.38	02/15 & 08/15	05/15/08	02/15/2019	600,000 - 830,000
Series 2009	3.25 - 4.25	02/15 & 08/15	06/01/09	02/15/2025	285,000 - 405,000
Series 2010 Refunding	2.67 - 2.67	02/15 & 08/15	03/01/10	02/15/2019	600,000 - 640,000
Series 2012 Refunding & Improvement	3.00 - 4.00	02/15 & 08/15	05/15/12	02/15/2028	890,000 - 2,685,000
Series 2013	1.50 - 5.00	02/15 & 08/15	05/15/13	02/15/2029	680,000 - 1,055,000
Series 2015 Refunding	2.00 - 5.00	02/15 & 08/15	07/15/15	02/15/2032	595,000 - 2,565,000
Series 2016 Refunding & Improvement	2.00 - 5.00	02/15 & 08/15	06/01/16	02/15/2032	195,000 - 3,015,000
Series 2016 Tax Notes	2.00 - 5.00	02/15 & 08/15	06/01/16	02/15/2023	355,000 - 2,080,000
Series 2017	3.00 - 4.00	02/15 & 08/15	01/15/17	02/15/2033	445,000 - 1,300,000
Total General Obligation Bonds					
Certificates of Obligation-					
Series 2007A	4.00 - 5.00	02/15 & 08/15	05/15/07	02/15/2032	115,000 - 605,000
Total Certificates of Obligation					
Revenue Bonds-					
Series 2008	3.88 - 4.25	02/15 & 08/15	05/15/08	02/15/2024	560,000 - 775,000
Series 2009	3.25 - 4.30	02/15 & 08/15	06/01/09	02/15/2025	685,000 - 975,000
Series 2011 Refunding & Improvement	3.00 - 5.00	02/15 & 08/15	04/01/11	02/15/2027	565,000 - 1,220,000
Series 2012 Refunding & Improvement	2.25 - 4.00	02/15 & 08/15	05/15/12	02/15/2028	245,000 - 595,000
Series 2013	1.50 - 5.00	02/15 & 08/15	05/15/13	02/15/2029	275,000 - 430,000
Series 2015 Refunding & Improvement	2.00 - 5.00	02/15 & 08/15	07/15/15	02/15/2031	465,000 - 1,250,000
Series 2016 Refunding & Improvement	2.00 - 5.00	02/15 & 08/15	06/01/16	02/15/2032	305,000 - 1,150,000
Series 2017 Refunding & Improvement	3.00 - 5.00	02/15 & 08/15	01/15/17	02/15/2033	260,000 - 1,265,000
Total Revenue Bonds					
Total Bonds Payable					

NC = Non-Callable
CC = Currently Callable

Bonds			Requirements Fiscal Year Ended September 30, 2018		
Principal Issued	Retired/ Defeased	Principal Outstanding	Principal	Interest	Original Option Date
18,725,000	17,030,000	1,695,000	310,000	73,000	02/15/17
8,715,000	7,395,000	1,320,000	645,000	39,900	02/15/18
5,430,000	2,600,000	2,830,000	310,000	107,325	02/15/19
9,600,000	8,335,000	1,265,000	625,000	25,432	CC
25,750,000	5,340,000	20,410,000	2,580,000	736,350	02/15/22
12,455,000	2,290,000	10,165,000	710,000	370,363	02/15/23
21,085,000	3,160,000	17,925,000	610,000	781,650	02/15/25
15,300,000	1,650,000	13,650,000	3,015,000	529,125	02/15/26
8,670,000	2,080,000	6,590,000	1,885,000	234,975	NC
14,365,000	-	14,365,000	445,000	825,249	02/15/27
140,095,000	49,880,000	90,215,000	11,135,000	3,723,369	
18,180,000	16,715,000	1,465,000	-	70,719	2/15/17
18,180,000	16,715,000	1,465,000	-	70,719	
10,300,000	9,695,000	605,000	605,000	12,100	02/15/18
11,900,000	10,405,000	1,495,000	735,000	44,181	02/15/19
13,465,000	6,385,000	7,080,000	1,220,000	228,325	02/15/21
5,925,000	2,295,000	3,630,000	570,000	102,081	02/15/22
5,205,000	1,085,000	4,120,000	290,000	150,138	02/15/23
11,750,000	2,150,000	9,600,000	925,000	355,269	02/15/25
10,880,000	305,000	10,575,000	340,000	412,050	02/15/26
11,025,000	-	11,025,000	780,000	409,610	02/15/27
80,450,000	32,320,000	48,130,000	5,465,000	1,713,754	
$ 238,725,000	$ 98,915,000	$ 139,810,000	$ 16,600,000	$ 5,507,842	

CITY OF LEWISVILLE, TEXAS **TABLE-13**
RATIO OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(Unaudited)

	Governmental Activities			Business-Type Activities				
Fiscal Year	General Obligation Bonds	Tax Notes	Certificates of Obligation	Water and Sewer Revenue Bonds	General Obligation Refunding Bonds	Total Primary Government	Percentage of Personal Income*	Per Capita*
2008	63,770,023	-	44,296,198	45,906,451	-	153,972,672	6.16%	1,658
2009	63,958,455	-	43,034,254	52,852,766	-	159,845,475	6.29%	1,699
2010	58,227,393	-	41,732,309	40,596,613	7,035,000	147,591,315	5.25%	1,549
2011	52,845,105	-	40,360,365	46,249,321	5,815,000	145,269,791	5.16%	1,523
2012	70,577,819	-	25,725,082	45,915,440	4,895,000	147,113,341	5.90%	1,532
2013	78,695,921	-	24,103,025	47,151,230	3,955,000	153,905,176	5.94%	1,573
2014	72,458,250	-	22,377,308	42,985,309	3,215,000	141,035,867	5.33%	1,434
2015	78,852,567	-	8,043,430	46,368,285	2,475,000	135,739,282	5.13%	1,380
2016	83,006,698	9,218,711	2,416,400	49,995,438	1,875,000	146,512,247	5.31%	1,459
2017	89,869,568	7,057,420	1,480,086	51,932,671	1,265,000	151,604,745	5.25%	1,463

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements and on Table 12.
*See Table 17 for personal income and population data.

In 2012, $12,490,000 of certificates of obligations were refunded and converted to general obligation debt.
In 2015, $13,460,000 of certificates of obligations were refunded and converted to general obligation debt.
In 2016, $4,720,000 of certificates of obligations were refunded and converted to general obligation debt.

CITY OF LEWISVILLE, TEXAS **TABLE-14**
RATIO OF NET GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years
(Unaudited)

	General Bonded Debt Outstanding							
Fiscal Year	General Obligation Bonds	Tax Notes	Certificates of Obligation	Total	Less Available Debt Service Funds	Net General Bonded Debt	Percentage of Taxable Assessed Value of Property*	Per Capita**
2008	63,770,023	-	44,296,198	108,066,221	2,063,119	106,003,102	1.72%	1,142
2009	63,958,455	-	43,034,254	106,992,709	2,157,818	104,834,891	1.61%	1,114
2010	58,227,393	-	41,732,309	99,959,702	1,575,726	98,383,976	1.55%	1,032
2011	52,845,105	-	40,360,365	93,205,470	1,270,236	91,935,234	1.51%	964
2012	70,577,819	-	25,725,082	96,302,901	1,456,703	94,846,198	1.51%	988
2013	78,695,921	-	24,103,025	102,798,946	1,622,886	101,176,060	1.56%	1,034
2014	72,458,250	-	22,377,308	94,835,558	2,101,836	92,733,722	1.35%	943
2015	78,852,567	-	8,043,430	86,895,997	2,456,516	84,439,481	1.14%	849
2016	83,006,698	9,218,711	2,416,400	94,641,809	2,801,894	91,839,915	1.15%	915
2017	89,869,568	7,057,420	1,480,086	98,407,074	2,388,199	96,018,875	1.12%	926

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
No general obligation debt limitation is imposed on the City under current State law or the City's Home Rule Charter.
Business-Type Activities not included.
* See Table 5 for property value data.
** See Table 17 for population data.

In 2012, $12,490,000 of certificates of obligations were refunded and converted to general obligation debt.
In 2015, $13,460,000 of certificates of obligations were refunded and converted to general obligation debt.
In 2016, $4,720,000 of certificates of obligations were refunded and converted to general obligation debt.

CITY OF LEWISVILLE, TEXAS **TABLE-15**
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of September 30, 2017
(Unaudited)

Government Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Lewisville Independent School District	$ 1,213,922,216	27.80%	$ 337,470,376
Coppell Independent School District	274,501,084	0.65%	1,784,257
Denton County	645,305,000	11.39%	73,500,240
Dallas County	199,545,000	0.03%	59,864
Dallas County Community College District	263,140,000	0.03%	78,942
Dallas County Hospital District	703,770,000	0.03%	211,131
Dallas County Schools	40,330,000	0.03%	12,099
Denton County Levee Improvement District #1	7,980,000	68.03%	5,428,794
Subtotal, overlapping debt			418,545,703
City of Lewisville (direct debt)	98,407,074	100.00%	98,407,074
Total direct and overlapping debt			$ 516,952,777

Source: Non-City debt information provided by the Municipal Advisory Council of Texas (MAC)

Notes:

MAC calculates the overlapping percentages by determining the estimated shared assessed valuations of the overlapping taxing bodies and the City and then by dividing that shared value by the total assessed value of the overlapping taxing body.

CITY OF LEWISVILLE, TEXAS **TABLE-16**
PLEDGED-REVENUE COVERAGE
Last Ten Fiscal Years
(Unaudited)

	Waterworks and Sewer System Revenue Bonds						
Fiscal Year	Total Revenues	Less: Operating Expenses	Net Available Revenue	Average Annual Requirement	Times Coverage	Maximum P & I Requirement	Times Coverage
2008	29,198,493	13,715,038	15,483,455	3,629,359	4.266	6,919,927	2.238
2009	27,978,220	14,157,311	13,820,909	4,191,171	3.298	7,498,648	1.843
2010	27,321,265	14,294,307	13,026,958	3,408,059	3.822	5,512,848	2.363
2011	29,627,081	16,082,970	13,544,111	3,584,741	3.778	6,189,089	2.188
2012	29,773,149	15,333,608	14,439,541	3,498,676	4.127	6,060,147	2.383
2013	29,996,994	15,253,780	14,743,214	3,559,577	4.142	6,113,056	2.412
2014	28,796,077	16,337,544	12,458,533	3,389,345	3.676	5,748,976	2.167
2015	30,280,813	16,556,111	13,724,702	3,435,226	3.995	6,277,461	2.186
2016	33,484,498	17,716,205	15,768,293	3,615,260	4.362	6,225,422	2.533
2017	33,508,034	19,313,566	14,194,468	3,691,538	3.845	7,178,754	1.977

Source: Comprehensive Annual Financial Reports

CITY OF LEWISVILLE, TEXAS **TABLE-17**
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years
(Unaudited)

Year	Estimated Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2008	92,850	2,497,665	26,900	30.6	15,233	4.0%
2009	94,070	2,542,430	27,027	31.4	15,780	6.7%
2010	95,290	2,811,055	29,500	32.5	15,678	6.4%
2011	95,390	2,814,005	29,500	32.5	16,084	6.7%
2012	96,000	2,491,392	25,952	32.5	17,238	5.1%
2013	97,860	2,591,822	26,485	32.2	17,619	4.9%
2014	98,330	2,648,224	26,932	32.1	18,065	4.1%
2015	99,480	2,755,497	27,699	32.9	16,299	3.1%
2016	100,400	2,759,795	27,488	32.4	16,316	3.3%
2017	103,640	2,888,240	27,868	32.3	16,039	3.0%

Sources: Estimated population provided by the North Central Texas Council of Governments; US Census population in census years.

Capita personal income and median age provided by the American Community Survey; current year estimated from most recent data.

School enrollment (for schools located in Lewisville) provided by Lewisville Independent School District.

Unemployment rates provided on the Texas Workforce Commission website or the Bureau of Labor Statistics Website, annual rate, current year estimated as of September.

CITY OF LEWISVILLE, TEXAS
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago
(Unaudited)

TABLE-18

2017			2008		
Employer	**Employees**	**Percentage of Total City Employment**	**Employer**	**Employees**	**Percentage of Total City Employment**
JP Morgan Chase	2,878	4.59%	Vista Ridge Mall (all outlets)	2,000	3.56%
Lewisville Independent School District (Lewisville employment only)	2,852	4.55%	Lewisville Independent School District (Lewisville employment only)	1,592	2.83%
Vista Ridge Mall (all outlets)	1,500	2.39%	EMC Mortgage Corp	1,394	2.48%
Xerox Corporation	823	1.31%	Fidelity Investments	1,200	2.13%
Medical Center of Lewisville	815	1.30%	Wal-Mart (all City locations)	951	1.69%
City of Lewisville	781	1.25%	Lewisville Medical Center	831	1.48%
Bed Bath & Beyond	700	1.12%	Nationstar Mortgage	786	1.40%
Wal-Mart (all City Locations)	685	1.09%	HSBC	680	1.21%
TIAA-CREF	600	0.96%	City of Lewisville	676	1.20%
SYSCO	563	0.90%	SYSCO Foods	625	1.11%
Total	12,197	19.46%	Total	10,735	19.09%

Sources:
City of Lewisville Economic Development Department
Texas Workforce Commission
North Central Texas Council of Governments

Notes:
Vista Ridge Mall number of employees is estimated for 2017 due to a transition of ownership

CITY OF LEWISVILLE, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION / PROGRAM
Last Ten Fiscal Years
(Unaudited)

TABLE-19

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government and administration and legal	67.0	68.0	67.0	68.0	68.0	68.0	70.0	72.0	82.0	86.0
Public safety	350.0	349.0	348.0	349.0	359.0	384.0	386.0	388.0	395.0	395.0
Public services	124.0	126.0	123.0	123.0	123.0	123.0	124.0	127.0	129.0	129.0
Development Services	63.0	66.0	64.0	65.0	68.0	69.0	70.0	72.0	74.0	76.0
Parks and leisure	72.0	72.0	78.0	81.0	81.0	81.0	83.0	83.0	86.0	87.0
Total	676.0	681.0	680.0	686.0	699.0	725.0	733.0	742.0	766.0	773.0

Source: City Budget Office, authorized positions

LEWISVILLE

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CITY OF LEWISVILLE, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year			
	2008	2009	2010	2011
General government				
Public Records				
Number of open record requests	12,074	13,868	13,138	12,169
Parks & recreation				
Number registered for recreation programs	4,412	4,336	5,277	7,459
Public swim admissions	51,322	48,028	43,888	42,021
Lake Park day use area attendance	193,690	191,721	131,667	127,382
LLELA attendance	N/A	N/A	N/A	N/A
Library				
Library visits	398,568	383,836	451,015	424,079
Library volumes circulated	766,182	815,191	774,629	692,066
Public safety				
Police				
Calls for service	66,358	74,658	66,751	61,514
Part 1 crimes	3,577	4,039	4,038	3,448
Number of accidents	2,482	2,458	2,409	2,318
Fire				
Number of fire incidents	3,007	3,246	3,107	3,395
Number of EMS incidents	5,771	6,088	6,069	6,529
Public services				
Public Services				
Concrete paving repair (cubic yards)	10,895	4,785	4,820	7,379
Concrete utility cut repair (cubic yards)	415	393	221	306
Asphalt pothole repair (tons)	54	38	78	39
Development Services				
Building permits issued	698	552	509	439
Municipal Water System				
Number of customers (meters)	21,233	21,987	21,912	21,342
Average daily water consumption (MGD)	14.71	14.75	14.44	16.84
System capacity (MGD)	38	38.4	38.4	38.4
Number of water main breaks	120	113	75	96
Sewer System				
System treatment capacity (MGD)	15	15	15	15
Sanitation (residential)				
Residential refuse collected (tons)	27,528	27,732	27,179	25,302
Commercial refuse collected (tons)	107,798	106,084	109,773	104,528

Source: City Departments

Notes:

For 2015, Lake Park attendance was down due to the park being closed from May 11 through August 14 due to flooding. Beginning the first full year of 2016, LLELA (Lewisville Lake Environmental Learning Area) operations expanded with the City's involvement to seven days a week for fishing, hiking, camping, boating, and other outdoor activities.

Fiscal Year					
2012	2013	2014	2015	2016	2017
9,627	8,007	8,132	7,141	6,787	4,668
6,591	7,070	6,708	8,897	7,901	8,413
39,304	57,122	35,554	40,183	29,211	36,643
137,507	140,626	136,582	61,640	16,033	142,546
N/A	N/A	N/A	N/A	66,732	67,112
403,308	377,915	329,718	329,435	345,097	349,445
686,804	637,083	599,405	603,100	612,355	613,013
63,014	58,675	59,226	61,261	65,521	63,342
3,272	2,903	2,775	3,170	2,921	2,546
2,490	2,457	2,405	2,736	3,120	3,170
3,083	3,206	3,598	3,485	3,680	3,717
6,855	6,622	6,861	7,644	8,039	7,709
8,157	6,780	4,939	9,076	6,712	6,312
300	284	119	239	330	177
88	209	273	377	140	263
379	520	392	523	631	481
21,427	21,662	21,797	22,192	22,685	22,870
16.06	15.11	13.04	13.05	14.04	13.74
53.4	53.4	53.4	53.4	53.4	53.4
99	105	56	63	54	43
15	15	15	15	15	15
25,418	26,119	26,153	23,495	25,394	25,720
76,119	73,589	70,306	71,375	81,083	66,965

CITY OF LEWISVILLE, TEXAS **TABLE-21**
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Function/Program										
Culture, parks & recreation										
Parks and leisure										
Number of parks	32	33	33	33	33	33	33	35	35	35
Parks (acres)	1,240	1,240	1,240	1,240	1,240	1,240	1,240	3,258	3,258	3,258
Swimming pools	2	2	2	2	2	2	2	2	2	2
Lighted athletic fields	23	37	37	37	37	37	37	37	37	37
Lighted tennis courts	4	4	4	4	4	4	4	4	4	4
Recreation centers	2	2	2	2	2	2	2	2	2	2
Senior citizens center	1	1	1	1	1	1	1	1	1	1
Public safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles	94	96	94	95	93	96	98	98	107	113
Fire stations	6	7	7	7	7	7	7	7	7	7
Public services										
Public services										
Streets -paved (miles)	571	571	573	573	573	650	650	672	672	672
Alleys - paved (miles)	85	85	85	85	85	97	97	97	97	99
Number of street lights	2,600	2,773	2,983	2,911	2,894	2,898	3,218	3,480	3,501	4,506
Water and sewer										
Water mains (miles)	390	393	397	381	377	381	387	384	384	398
Fire hydrants	3,096	3,015	3,015	3,015	3,015	3,079	3,154	3,154	3,154	3,154
Sanitary sewer (miles)	310	312	315	318	303	312	313	315	316	315

Source: City Departments

Notes:
Street Lights prior to 2009 were estimated.
In 2009, Toyota of Lewisville Railroad Park added.
In 2015, the LLELA (Lewisville Lake Environmental Learning Area) and the park at Valley Parkway @ Corporate Drive were added.
In 2017 the number of street lights increased due to lights on I-35 being added